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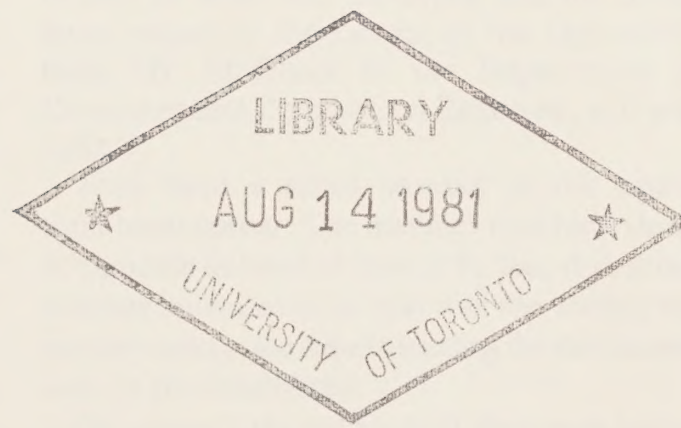


Ontario. LEGISLATIVE ASSEMBLY

No. 58

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Wednesday, June 24, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

Wednesday, June 24, 1981

The House met at 2:02 p.m.

Prayers.

ASTRA/RE-MOR

Mr. Cassidy: Mr. Speaker, I rise on a point of order that may carry some fairly serious implications with respect to the efficacy of the warrants that were issued by you and by your predecessor, the member for Lake Nipigon (Mr. Stokes).

You will recall that as a consequence of a referral from this House a Speaker's warrant was ultimately sought which required that all documents related to Astra Trust, as well as to the other named companies controlled by Mr. Montemurro, be provided to the standing committee on administration of justice.

You will recall that those documents ostensibly were provided. They were put in a locked room. The committee worked up means for investigating and surveying those documents and so on. But I wish to draw to your attention the very disturbing fact that the letters of July 23 and July 31, 1979, from Mr. Robert McGlynn, the Hamilton lawyer who was writing on behalf of a client—and the matter has been raised in this House several times in the last week—in addition to a memorandum related to those letters, were not included among the documents provided to the House by virtue of the warrant coming from your chair.

That raises the question of why these very pertinent documents, which would have indicated that the ministry had been informed about what was going on in the Astra affair many months before its investigations actually commenced, were withheld; why your warrant was abused; and whether there was a deliberate act to withhold that material because of the damaging impact it would have on the ministry in demonstrating the incompetence with which it had handled this particular affair and its responsibility to protect the investors.

I think it is very serious that such pertinent documents were not provided. I have consulted with my own colleagues on the committee and with the researcher for the New Democratic Party, who also had a role in going through those documents from the Ministry of Consumer

and Commercial Relations; to their knowledge, at no time were those documents in the files. I understand that is also the case with Liberal research. In other words, those documents were not there, and there is no conceivable excuse for their not being there except incompetence or deliberate withholding.

Hon. Mr. Walker: Speaking to the point of privilege, Mr. Speaker: The information I have is that all the documents were submitted. The Leader of the Opposition (Mr. Smith) actually introduced the first letter. I do not know the source of his letter. I do not know whether it came from the committee room or elsewhere, but I will indicate it is my understanding that all the documents were submitted.

The copies of the documents I had in my possession shortly afterwards bore a serial number in the upper right-hand corner in the 300,000 series. That series was used as a way of coding the information our ministry sent over to the committee.

It is my understanding that these documents were submitted to the committee in their totality, including the memorandum, the retraction letter of July 31 from Mr. McGlynn and the initial letter raised by the Leader of the Opposition from Mr. McGlynn to the Department of Consumer and Commercial Relations, as it was called.

They bore a serial number in the upper right-hand corner. The member may have those documents in front of him; if he has, that serial number indicates to us that was the coding the ministry used at the time in sending the documents over to the committee.

Of course, I do not know if they were in the files. I did not go and look personally. All I can tell the member is that was the procedure we brought in at the time.

Mr. Smith: On the same point of privilege, Mr. Speaker: I just want to indicate that the copy of the letter from Mr. McGlynn that I sent over actually came to me from his client, Mr. Ramsey. It did not come from the records in the room. I do not know whether the documents were present in the room. The researcher for the Liberal Party does not remember seeing

them, but that does not mean they were not present. I simply say this for the record.

COMMENTS BY MINISTERS

Mr. Epp: Mr. Speaker, on a point of personal privilege: I see the Minister of Housing (Mr. Bennett) is in the House. I want to direct my comments to some matters he may want to stay and attend to.

As the minister knows, Bill 121 was introduced into this House. It is An Act to provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities. The government has a chance to order the business of this House as it wishes. It has introduced this bill for first reading. It can introduce it for second reading, third reading, royal assent and whatever.

The Minister of Housing has been quoted on a number of occasions—and I have received calls on this today—attributing the inaction of the government to the Liberal caucus. He says this caucus will not support the bill and therefore he will not bring it in.

We on this side of the House have not indicated at any time whether or not we will support the bill. I have discussed it with my House leader, and he has not given any commitment on it. As municipal affairs critic, I have not indicated which way we are going to go, whether or not we are going to hold up the bill.

He is a bloody liar if he says to me and to the people out there—

Hon. Mr. Leluk: Retract that, that's unparliamentary.

Mr. Speaker: Order. That is not a point of personal privilege, and I ask the member to withdraw that allegation.

Mr. Epp: Mr. Speaker, I will withdraw it, but I still have some other comments to make.

Mr. Speaker: With all respect, you have not raised a point of personal privilege.

Mr. Epp: The personal privilege is that the minister is attributing to me and to this caucus comments that have not been made. We are not holding up this bill. He can order the business of the House the way he likes. He can go to his House leader and get that bill on the Order Paper, but he cannot go out there and tell the mayors of the municipalities of this province that we are—

Mr. Speaker: Order. It was not a point of personal privilege and therefore—

Mr. Nixon: Mr. Speaker, on a point of order:

What is a point of personal privilege if that is not? If he is being deliberately misrepresented by a member of the government—

Mr. Speaker: Order. A point of personal privilege is quite clearly defined as being just that.

Mr. Nixon: Well, his privileges have been infringed upon.

Mr. Speaker: Order.

2:10 p.m.

Hon. Mr. Bennett: On a point of privilege, Mr. Speaker: My name has been used by the member for Waterloo (Mr. Epp) in relation to this Bill 121. I want to make it very clear to this House that Bill 121 is a piece of legislation that very much affects the municipalities in financing.

At the Association of Municipal Clerks and Treasurers of Ontario conference yesterday, in speaking with the mayor of Windsor, who represents the Municipal Liaison Committee, I said that if they wish this bill to go through I would very strongly suggest that they have a discussion with the members who represent their particular constituency and impress upon their House leaders, as I have upon our House leader, the importance of this piece of legislation on their behalf being processed as quickly as possible.

That is what I said. I did not use the member for Waterloo's name, and I did not speak about the House leader of the Liberal Party or—

Mr. Epp: Do you want us to run the business of the House? If you don't want to do it, then resign.

Mr. Speaker: Order. Mr. McKessock, a point of privilege.

Mr. Ruston: Quit misleading the mayors out there.

Mr. Nixon: It has never been on your priority list.

Mr. Ruston: You never had it on the list. Tell your House leader if you want it done.

Mr. Nixon: Talk to your House leader. Don't blame us.

Mr. Speaker: Order.

Mr. Ruston: Tell your House leader if you want it done; do not tell us. Smarten up.

Hon. Mr. Bennett: Sit down.

Mr. Ruston: I won't sit down.

Mr. Speaker: Order! Mr. McKessock on a point of personal privilege.

Mr. Ruston: You have none. You are the liar.

Some hon. members: Oh, oh!

Mr. Speaker: Order. That was really uncalled for.

Mr. Ruston: I will withdraw it, Mr. Speaker—

Mr. Speaker: Thank you.

Mr. Ruston: —but in no way is a minister allowed to get up and misrepresent what he said to people outside this House.

Mr. Speaker: Order. Mr. McKessock, again, on a point of personal privilege.

Mr. McKessock: Mr. Speaker, on the same point of personal privilege: I was called by a reeve in my municipality who said the Minister of Housing had said the Liberal Party was holding up the passing of this bill.

Mr. Speaker: That is not a point of personal privilege, as I ruled before.

Mr. Smith: What is?

Mr. Epp: It is a point of personal privilege, because they are—

Mr. Speaker: Order.

Mr. Bradley: Mr. Speaker, I rise on a point of personal privilege that affects not only me but also, I think, all members who served on the standing committee on administration of justice during the Re-Mor affair and subsequent to that. There was a comment from the Attorney General (Mr. McMurtry), who said the opposition was playing games and wanted to set up some sort of kangaroo court where witnesses are not represented by counsel and counsel are not allowed to cross-examine witnesses.

With all due respect to the opinions of the Attorney General, I do not think any member of that committee wanted to set up a kangaroo court. I thought we operated under some pretty strict guidelines, which were suggested by Mr. Morton of the Attorney General's ministry. I think we tried to adhere to those guidelines, and we were cautioned when we were going over the line, so to speak; so I think the comments of the Attorney General are simply not accurate in the view of members of the committee. I thought all members of the committee from all parties functioned very well, including the member for Burlington South (Mr. Kerr), who I thought made an excellent contribution to that committee.

MEMBERS' EXPENDITURES

Mr. Speaker: Before the routine proceedings, I wish to inform the House that I have today tabled the individual members' expenditures for the fiscal year 1980-81; I understand copies are on all the members' desks.

LEGISLATIVE PAGES

Mr. Speaker: We have reached the time again when we pay tribute to those people who have

assisted us in our work and deliberations in this House, and I refer to the legislative pages. To signify our thanks, I am going to read their names into the record:

Paula Arruda, Parkdale; Bruce Barber, Sault Ste. Marie; Janet Bob, Rainy River; Christopher Byers, Eglinton; Ricardo Codina, Hamilton Centre; Martha Cook, Perth; Melinda Czerkas, Niagara Falls; Michael Doody, Cochrane South; Jacinta Feijo, Brantford; Ramona Hoffmann, York East; David Huckvale, Wilson Heights; John McNeil, Scarborough East; Keira McPhee, Scarborough-Ellesmere; Michael Memme, Erie; Deborah Nagribianko, High Park-Swansea; Grant Nash, Windsor-Riverside; Kelly Reid, Welland-Thorold; Sarah Strickland, York Mills; David Strucke, Grey; Jantine Van Kregten, Essex South; Jennifer Van Leeuwen, St. David; and Geoffrey West, Parry Sound.

I ask all members to join with me in thanking the pages.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: On a point of personal privilege, Mr. Speaker: I wonder if you can provide us with any updated material you may have on the report concerning the government protective service matter which we have asked you about on many occasions. It is very important to us that we have something before the House before we rise, and I would like to see how the report is going.

Mr. Speaker: Thank you very much. I have referred that to the Solicitor General (Mr. McMurtry), and he has assured me he will be making a statement this week.

LA FETE DE LA SAINT-JEAN-BAPTISTE

M. Cassidy: Je voudrais rendre hommage à nos compatriotes de la province de Québec à l'occasion de la fête de la Saint-Jean-Baptiste, le 24 juin.

C'est un plaisir d'apprendre qu'on a recommencé le défilé de la Saint-Jean-Baptiste à Montréal pendant la fin de semaine.

La Saint-Jean-Baptiste est la fête de tous les Canadiens-Français et pour tous les Canadiens. Pour moi, c'est un grand honneur de faire partie d'un pays avec tous les Québécois et tous les Canadiens-Français dont le patron est Saint-Jean-Baptiste.

Mr. Speaker: Thank you very much, Mr. Cassidy.

STATEMENTS BY THE MINISTRY

MORTGAGE BROKERS

Hon. Mr. Walker: Mr. Speaker, on April 23 last, I advised honourable members that I would be reviewing the Mortgage Brokers Act and related statutes with the objective of finding better ways to protect the unsophisticated investor from undisclosed risk.

I want to announce some initiatives undertaken by the Ministry of Consumer and Commercial Relations to improve its licensing and monitoring procedures, to update members on legislative changes we hope to introduce this fall and to report on our discussions with the federal government on the Astra/Re-Mor matter.

As I have stated on several occasions in this House, the traditional role of the mortgage broker has changed considerably since the Mortgage Brokers Act was introduced 20 years ago. Originally, that person was simply a go-between—someone who brought together a person needing, for example, a \$4,000 second mortgage, and a lender who was prepared to lend that money. Today, mortgage brokering has become a more sophisticated operation where the stakes become measured often in terms of hundreds of thousands of dollars. Words like “syndication” and “mortgage banking” have come into vogue, along with the 20 per cent interest rates, and of course many investors are in the market looking for that extra point of income profit.

The Mortgage Brokers Act is not today, and never was, an investors’ statute. Rather, it is a borrowers’ statute. It was meant to be an aid to the borrowers. Whatever the legislation, it is worth noting that government cannot guarantee a fraud will not occur, as all we can do is ensure certain minimum standards for entry and periodic reviews of what these people do, thereby minimizing the possibility of fraud.

In the light of the changing role of the mortgage broker and concerns we have for the protection of the investor, some of which have become apparent over the last year or so, I am pleased to announce today initiatives undertaken by the ministry.

First, the ministry maintains a list of individuals who have been under investigation by our officials or who have been disciplined by the Ontario Securities Commission, the financial institutions division or the business practices division. This, in fact, started in July 1980 and so far has proven effective in a number of cases.

Second, we have created a special joint

investigation approach between the financial institutions and business practices divisions; they work with the Ontario Securities Commission. Members of this team are specially trained and tackle problem situations as a single team, with impressive results since its inception.

2:20 p.m.

Third, ministry officials liaise more frequently with police forces at all levels across the province and beyond. The amount of contact between the ministry and the police has increased dramatically.

Fourth, mortgage broker registrants now are subject to extensive individual scrutiny, including credit and police checks and search of executions. This kind of detailed doublechecking is being extended on a universal basis into areas such as real estate brokers, car dealers, collection agents and travel agents, all of whom have a fiduciary relationship. The bottom line is that they handle public money and must meet very high standards. Historically, we have found a high level of accuracy in the application forms. This new doublechecking is added insurance.

Fifth, the ministry has plans in the works to computerize its entire licensing and registration system by name, business affiliation, inspection results, et cetera, so that with the push of a button we will be able to summon up all the threads of information in our files.

What are some of the legislative changes being studied by the ministry?

First, we wish to clarify the role of the mortgage broker for the reasons I outlined a moment ago. It is important that the legislation assist the investor in understanding the role of today’s mortgage broker. The investor must be in a position to understand clearly just whom he is dealing with. He has, for instance, a right to know whether his legal or investment counsel has a direct or indirect interest in the company to which funds are being channelled. I support the position taken recently by a subcommittee of the Law Society of Upper Canada that lawyers either should be excluded from acting as mortgage brokers or should be required to maintain separate insurance coverage.

Second, we are proposing that a mortgage broker should be obliged to produce a document that provides full and proper disclosure about the mortgage loan, the property, the identity of the mortgage company’s directors and officers and other pertinent criteria. The disclosure document should be in language the average citizen can understand so that he is able to evaluate the risks and live with the consequences of his investment decision.

Third, we intend to shift the costs associated with the ministry's administration and investigation of the mortgage brokerage field on to the practitioners in that field. Last year, about 1,100 mortgage brokers applied for registration. This year, licence renewals have declined to 910.

On renewal, applicants are required to submit audited financial statements, which are reviewed by a special team of accountants. This year, even more detailed examination of audited financial statements is being made by independent forensic accountants.

We have also intensified the review of broker operations by inspectors from the business practices division. These inspections are being done on a selective basis to ensure that each broker is visited at least once during the next two years.

Any irregularities identified by the forensic accountants or inspectors will be subjected to a second thorough search, including a new audit of financial statements, independent appraisals of properties and direct contact with the investors involved, if necessary.

Last year, the operations of 24 mortgage brokers were given this heavy-duty investigation by independent forensic accountants and our own investigation and enforcement branch. In many cases this search team was joined by appropriate police forces. The end result was prosecution in several cases.

However, retaining independent forensic accountants, maintaining an inspection staff and administering other matters related to mortgage brokerage costs the taxpayers many tens of thousands of dollars a year. These costs will be recovered in large part by our plan to increase the present \$40 registration fee to \$500 annually.

To implement these changes, we have three options. One is to amend the existing Mortgage Brokers Act and considerably strengthen its provisions. A second is to abolish the existing Mortgage Brokers Act and consolidate licensing and regulation of mortgage brokers under the Loan and Trust Corporations Act. A third is to replace the present act with a declaratory statute that sets out an operational framework, including obligations on brokers and remedies for investors.

We hope to be in a position to move forward with legislative changes in the next session. I welcome comments from all members and suggest that a good opportunity to discuss this further will be during the 25 hours of debate on

the estimates of the Ministry of Consumer and Commercial Relations, which will begin when the House reconvenes in the fall.

It is very easy to overlook the role of the federal government in this whole matter. The federal government in 1977 licensed the operation of Astra Trust. The fact is that had there been no federally licensed Astra there would have been no losses. Given the knowledge of the federal government at the time of licensing, there should have been no Astra Trust. But there was, and from that flowed all losses. Re-Mor simply became a vehicle for those losses to occur. The federal government cannot escape criticism and responsibility in the matter.

As a consequence, since assuming the role of Minister of Consumer and Commercial Relations, I have had a number of attendances with the minister of state responsible for insurance, the Honourable Mr. Bussieres. We have met, and discussions have centred on the role of the Canada Deposit Insurance Corporation. We feel we are making some progress there as it relates to those who deposited funds with Astra Trust. Discussions are continuing, and I will report further when progress is made, at the earliest opportunity.

I fully realize that it is impossible to legislate fraud out of existence, but through vigorous audit and inspection we can greatly improve the prospect of catching and prosecuting the criminally inclined and, with more extensive entry requirements, minimize the occurrence.

The Astra/Re-Mor matter has some similarities to the Atlantic Acceptance affair of a few years ago, concerning which Mr. Justice Hughes had this to say: "There can be no guarantee that such a convulsion will not occur again, whatever legislation may be enacted or regulatory policy devised, because it had its origins in fraud and concealment, and it is yet to be demonstrated that laws of general application can be wholly successful in providing against the resolve of any human agency to twist and break it."

With these acknowledged limitations, we invite and welcome constructive suggestions for further safeguards.

Mr. Renwick: On a point of privilege, Mr. Speaker: In view of the Attorney General's (Mr. McMurtry) statement yesterday, and in view of this minister's statement today, I ask them to clarify for us why there is a total omission of any reference in either of the statements to the registration in Ontario of Astra Trust by the Ministry of Consumer and Commercial Relations.

FILM CENSORSHIP AND CLASSIFICATION

Hon. Mr. Walker: Mr. Speaker, recently there has been a fair amount of debate about the role of government as a censor and classifier of films for public exhibition and the relevance of the board of censors as a government responsibility in serving the best interests of the public.

I am sure honourable members concur that this is both a contentious and difficult subject. In many ways, it represents a form of intrusion by government into the right of the individual to see or to experience whatever may be available to him or her in a public theatre. Indeed, it is a subject that has attracted strong opinions against censorship by certain individuals in the arts community as well as certain journalists. On the other hand, it has received strong and widespread support from the community as a whole.

During the past 10 weeks, since my appointment to this portfolio, I have been reviewing the operations of the censor board, the philosophy of censorship in the province, the existing film classification system and various opinions expressed about this issue in the hope that we may more accurately reflect the wishes and concerns of the people of this province.

A recent survey of public attitudes reveals that two thirds of Ontario adults support censorship. Only four per cent believe in neither film censorship nor film classification. It seems there is a widespread desire to protect children through the application of a classification system and to maintain a particular quality of life by some restraints on excesses in films for public exhibition.

What precisely does the public object to? Research by board members in contact with hundreds of groups, as well as survey results across the province, indicate widespread concern in three areas: excessive violence, explicit portrayal of sexual activity, and sexual exploitation of children. Only three per cent of the public surveyed say they would not cut any of these scenes.

While the government is obliged to listen to the people of Ontario, this province's position on film censorship is often compared with other jurisdictions. Five Canadian provinces in addition to Ontario have the power to censor. Three provinces that do not have censor boards use prints previously approved by other provinces, often Ontario. Quebec, with whom Ontario most recently has been compared, does not censor films per se; it simply rejects films it finds

unsuitable and places the onus on the distributor to make appropriate cuts and then resubmit the print.

2:30 p.m.

It might interest members to know that last year the Ontario board screened 1,765 films, of which only 189 were standard films for traditional commercial distribution as many of us know it. Five films were rejected, and 64 were cut. Sixty of these films were considered "porn" movies and showed limited productions, and only four were standard films for commercial distribution. Thus, in total, 69 films were cut or rejected.

In Quebec, however, 94 films were rejected, a substantially higher number than was the case in Ontario. These statistics certainly put the lie to the myth that Ontario is a scissor-happy jurisdiction, compared with its sister provinces.

There are many other jurisdictions in the world that censor films. Even the Cannes festival requires that films be submitted to a censor, and sometimes films are rejected. Perhaps one of the most interesting jurisdictions is Sweden, where censorship of films and magazines was abolished in the 1960s to give its people increased freedom of expression and freedom of choice. Today, however, the individuals who led the crusade for such freedom are among the staunchest advocates of a return to controls. Indeed, according to some reports, sexual violence in films and magazines has been held to blame for a 60 per cent increase in rapes in Sweden from 1960 to 1978.

Having carefully considered the whole issue of film censorship and film classification, I sincerely believe it is a policy supported by the majority, and therefore it will continue to be a policy of this government. However, I am pleased to announce three important changes that should accommodate many sincere concerns without in any way compromising the strong convictions of Ontarians about the need for maintaining quality controls and standards.

In the past year, we have achieved three significant changes in public accountability: (1) guidelines for classifications have been formalized and published, (2) film review and assessment procedures have been formalized and published, and (3) information on any cuts and reasons for the cuts is available on request.

In addition, we propose to change the composition of the censor board through an amendment to the Theatres Act that will be introduced in the fall session. Currently, in addition to the chairman and vice-chairman, the board consists

of five full-time members, three of which are civil service positions. I am uncomfortable with the notion that civil servants are filling what should be an independent board function in reflecting community standards. It makes sense to me that individuals who are independently representative of the community should be asked to make such judgements.

We intend to abolish the civil servant members' positions and to establish a new board of censors with a minimum of 25 part-time positions to be filled on a rotating basis by a broad cross-section of community representatives. The new board will be selected to reflect members of Ontario's ethnic, cultural, social and occupational makeup. There will also be representation according to age and lifestyle. In this way members will more accurately interpret contemporary and changing community values. In a democratic society it is essential that any application of a censorship process, no matter how minimal, must be responsible, representative and reflective of the whole community.

Second, we intend to establish a formal appeal procedure within the censor board for films that are rejected or cut. At present no such procedure exists under the provisions of the Theatres Act. We propose to correct this deficiency by incorporating into the act the right of a film producer or distributor to an appeal by which the film will be reviewed by at least five board members who did not participate in the original decision.

Finally, I wish to announce a change in the present film classification system.

Currently, films are classified as "restricted" to people age 18 or over; "adult," which signals that the content is of a mature nature but which permits unsupervised entry for all ages; and "general," which is not a formal classification but refers to family entertainment where no rating is required.

A difficulty with the present system is that on the one hand certain restricted films might well be suitable for viewing by teenagers in high school, and on the other hand some films currently classified as "adult entertainment" are inappropriate for younger audiences but are open to them.

To tighten up this area, the classification system will be amended by regulation in the following way: The "restricted" category will remain, with admittance limited to adults aged 18 and over. A new category to be called "adult accompaniment" will be introduced; people

aged 14 or older will be allowed unsupervised entry but children under 14 will be admitted if accompanied by an adult, aged 18 or older.

Remaining films will have unrestricted admittance, but an advisory clarification of content will accompany all advertising. The advisory captions will be "parental guidance" to alert parents that certain language or scenes may be too mature for some children and "family" meaning suitable for all.

The board also plans to increase its warnings or information pieces required in advertisements to provide the public with more advance information about film content.

In summary, we believe these changes will be more responsive to the needs and values of moviegoers, will provide film makers with greater scope in reaching commercial audiences with acceptable material and will enable the censor board to reflect more accurately the tolerance levels of the community as a whole.

WORKMEN'S COMPENSATION

Hon. Mr. Elgie: Mr. Speaker, I wish to make a statement concerning several matters relating to workmen's compensation.

As members know, at my request Professor Paul Weiler undertook a comprehensive review of the existing Workmen's Compensation Act and its administration last year. In November, I tabled his report entitled *Reshaping Workers' Compensation in Ontario*, in which major revisions to the benefit structure and the adjudicative system were recommended.

Subsequently, following wide circulation to labour and management groups and other interested parties, I received many comments and suggestions and met with a number of interested parties. As might be expected, there are some differences of view on the substance of the proposals. However, in the main I sense there is a broad consensus in favour of substantial revisions along the lines suggested in the report.

If these recommendations are to be carried into effect, we shall require a completely revised act. Because of the importance of the subject and the unavoidable complexity entailed in translating the proposal into workable statutory language and, frankly, because I have not yet had the benefit of full comment on some of the major recommendations, I shall be tabling in the House tomorrow a white paper on workers' compensation in Ontario.

The paper will outline the substantive revisions the government believes may be appropri-

ate and will illustrate how these revisions would apply in day-to-day administration of claims. In addition, there will be attached a draft act, together with an analysis of the cost impact of the proposed revisions.

It is clear to me the white paper will result in a further, and I think necessary, round of discussions over the next several months. On the most optimistic assumptions, therefore, it is extremely unlikely the major revisions which we contemplate could come into effect before 1982.

In the meantime, I think all members of the House would agree that we must concern ourselves with the fact that the last revisions to benefit levels became effective July 1, 1979.

I shall therefore be introducing today for first reading an Act to amend the Workmen's Compensation Act which will effect upward revisions in the benefits to reflect increases in the cost of living since July 1, 1979.

I will be dealing with the details of those amendments in my statement on second reading but the bill itself will be introduced for first reading later this afternoon.

MEMBERS' PRIVILEGES

Mr. Nixon: On a point of order, Mr. Speaker: A few moments ago, you indicated that when my colleague the member for Waterloo North (Mr. Epp) was objecting to statements by the Minister of Housing (Mr. Bennett) with regard to Bill 121, he did not have a point of privilege.

I want to bring to your attention some findings from Erskine May's Treatise on the Law, Privileges, Proceedings and Usage of Parliament that deal directly with that. I can assure you they are brief.

I simply want to indicate to you that the allegation from my colleague was that the Minister of Housing had indicated to certain municipal officials that members of the Liberal Party were impeding the progress of legislation in which they were interested.

I now read from page 153 of Erskine May, entitled *Misrepresenting Members' Proceedings*: "Wilful misrepresentation of the proceedings of members is an offence of the same character as a libel. On 22 April, 1699, the Commons resolved 'that publishing the names of the members of this House, and reflecting upon them, and misrepresenting their proceedings in Parliament, is a breach of the privilege of the House, and destructive of the freedom of Parliament.'"

2:40 p.m

I have two points: The first is to support my colleague who indicated that a breach of privilege had taken place; the second is to bring to your attention, sir, that simply to say he does not have a point of privilege under those circumstances is a remedy that is not good enough for us who feel our privileges have been breached.

Mr. Speaker: Thank you very much for drawing that to my attention. I am not going to enter into debate, but I would like to give the member the reasons for my opinion.

I would refer him, first of all, to standing order 18(a) which states: "Privileges are the rights enjoyed by the House collectively and by the members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedent, usage and custom."

My opinion was based on the fact, as I understood it, that the information came forward not through the assembly but from outside the House. I also failed to see that Mr. Epp's duties were impeded in any way, shape or form. I think perhaps he might better have raised that as a point of clarification, which he was very successful in doing.

Mr. Martel: Mr. Speaker, may I speak to that? At no time, except briefly yesterday, was there any discussion with respect to the government's intention even to bring that bill forward. It was not on any list the government wanted passed before the end of this session.

I do not think a minister of the crown can then leave the precincts of this building and go off somewhere and indicate to the general public that a certain political party is preventing the passage of a piece of legislation—if they want the bill passed they should go back to a certain political party and get its members to change their minds—when in fact the matter was not even discussed. I do not see how the minister can go out and make a suggestion to certain people when the bill is not even on the government list for passage before the end of this session.

Hon. Mr. Bennett: Mr. Speaker, I spoke to the clerks' and treasurers' meeting yesterday. I made very clear in my speech to them a number of things relating to the new ministry of municipal affairs and housing. One of the questions that has arisen over the last week or so from mayors and reeves, from the president of the Ontario municipal association, the Municipal Liaison Committee, and various other groups,

relates to the interest charges a municipality is allowed to charge back against its taxpayers for nonpayment of their municipal taxes.

They asked me if the bill was introduced. I made it very clear it is Bill 121. I said if their interest was in seeing the bill passed in this sitting of the House, they should speak to their members—that is, members of all three political parties—to indicate the importance this bill has on the economic and financial situation in individual municipalities. I was not directing my remarks against the Liberal Party, against the New Democratic Party or against the Tories. I wanted the emphasis and the importance of the bill to be known to all members of this House.

Mr. Smith: Mr. Speaker, on that same point very briefly, surely the minister recognizes that if the matter is a matter of importance what he should have admitted to the reeves and mayors was that he had failed to impress upon his own House leader the importance he attached to the bill. But sooner than admit that, and possibly suffer a certain criticism, he preferred to imply that the difficulty lay on the other side of the House, or among certain private members on all sides of the House. It does seem to me that is behaviour unbecoming a minister of the crown, let alone a breach of the privileges of the House.

Mr. Speaker: Point of privilege, Mr. Elston. Is it the same point?

Mr. Elston: No, it is a new point of privilege.

Mr. Wrye: I wish to speak on the same point of privilege, Mr. Speaker.

This morning, I and the member for Windsor-Walkerville (Mr. Newman) received calls from the mayor of Windsor, asking us if we were preventing this bill from coming forward. I asked him why he should ask that, and he said it was because the minister opposite had raised the matter yesterday. I asked him if he had spoken with the member for Windsor-Riverside (Mr. Cooke) who represents another party. Apparently he had not because it was only the Liberals, according to the minister, who were preventing this bill from coming forward. That is not the truth.

Mr. Epp: Mr. Speaker, on the same point of privilege: When I was approached earlier this week and asked about this bill, I said for the government to bring it in when they wished and we would debate it at that time. That is where the matter was left. They can order the business as they wish. They can bring the bill in when they wish, and we will debate it at that time, but I am not going to commit myself as to how long

we are going to debate it, whether we are going to favour it or not favour it, and so forth. That is not for me to do on an individual basis.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: Mr. Speaker, on a point of privilege: Earlier I raised the matter concerning the report on the matter between the Ontario Provincial Police and the Ontario Government Protective Service with you. You advised that the Solicitor General (Mr. McMurtry) was going to be making a statement.

The Hansard report shows you had undertaken to the House to make a report on that yourself, and I think it very important, in order that the study be an independent one, that you make the study.

We heard you read a letter from one member of the Ontario Government Protective Service earlier on, and it was with our insistence after that letter was read that you decided to make your own study into the matter. I would like to know if you are going to be doing your own independent study because I do think the Solicitor General, in his capacity of overseeing the operation of the OPP, does have a potential conflict in that regard.

Mr. Speaker: Thank you.

ORAL QUESTIONS

HEATING GRANT PROGRAM

Mr. Smith: Mr. Speaker, a question for the Minister of Revenue: Inasmuch as it is within his ministry that this new heating credit will at least be partially administered, will the minister admit, now that we have all had a chance to look at the proposal introduced by the Treasurer (Mr. F. S. Miller), that the proposal is really pitifully small, and in many respects unfair?

Will he admit that particularly because, if you look at his own figures, a family of four attempting to live on a gross income of \$13,000—which I know the minister will admit is pretty poor for a family of four nowadays—will receive a grand total of \$10 this year, none next year, and none the year after.

If this is truly designed to help the poor it surely is awfully little, if somebody raising a family of four on \$13,000 gross income is going to get a princely \$10. Is it not unfair when about half the money will be going to senior citizens, many of whom do not need this additional assistance of \$60? How can it be sensible that a

working person trying to raise a family of four on \$13,000 a year gets \$10, and Harold Ballard gets \$60?

Hon. Mr. Ashe: Mr. Speaker, as the honourable member opposite is well aware, when the—

Mr. Nixon: My mother will get hers in Florida.

Mr. Speaker: Order. Mr. Ashe has the floor.

Hon. Mr. Ashe: The honourable member should listen to the answer now that he has asked the question.

When the Treasurer announced the program yesterday, he indicated that we have been waiting for the Ottawa colleagues of the members opposite to come forward with any kind of program that would recognize the issue he has raised. Recognizing we cannot wait forever, the Treasurer announced a program we feel will go a great way towards alleviating some of the increased costs of heating in this province. In fact the problem is not unique to Ontario, as we all know.

2:50 p.m.

With regard to the specific item the Leader of the Opposition (Mr. Smith) brought forward concerning a family of four with a family income of \$13,000, one thing he did not identify was whether this income was generated by one working person or more than one. This of course would have some relevance to the actual grant involved. And of course—

Mr. Peterson: He said family income. Does the minister understand what that means?

Hon. Mr. Ashe: Yes, I know what a family means, but does the member know what it means? A family does not necessarily mean there is only one working.

Mr. Speaker: Address yourself to the question.

Hon. Mr. Ashe: Sorry, Mr. Speaker. I will try to recognize the chair only.

In actual fact the program is a step in the right direction. We do not have the limitless funds the members opposite attribute to us from time to time. I think it is a reasonably generous program designed to get to those who need it most. It is only a temporary program, and that is why it is declining over three years.

As to whether some seniors should or should not receive such benefits, I hope we never get to the point where the members opposite would look unfavourably on any assistance this government would give to the seniors who have made this province great.

Mr. Smith: By way of supplementary, Mr. Speaker: Since we accept the basic contention of the minister that money is not unlimited nowadays, I would ask whether the minister would not accept our basic contention that the money should go to those who really require it? Furthermore, should it not be disbursed in a sensible manner rather than declining over the next three years while the cost of heating oil and natural gas will be escalating?

Does the minister not recognize he is saying that in two years' time, when the home heating oil costs will have escalated by \$140, the maximum will be \$20? Even then it will go only to those who have a total taxable family income of \$2,000 a year?

Why use half the money in straight grants to senior citizens unless they are truly the most impoverished group in our society? But if that is truly the case, would he check it out with the Provincial Secretary for Social Development (Hon. Mrs. Birch), who yesterday stood in this House and said:

"I get just a little tired and a little offended by this constant reference to the poverty line. When a single senior citizen in this province is entitled to almost \$7,000 along with all of the fringe benefits, I do not hear too many complaints from the senior citizens across this province—not too many of them."

The minister cannot have it both ways. Either the senior citizens as a group are deeply impoverished, and that is why he is using half the money in this fund for them, or the provincial secretary is right. It is one or the other.

Would it not make more sense with limited funds, therefore, to make sure those who need the money most get the money, and not penalize hard-working people at the very bottom of the income scale so that the government can shift grants to those who are too wealthy to really need the money?

Hon. Mr. Ashe: Mr. Speaker, as the honourable member should very well know, the answer to the question is not one or the other, it is both.

There is no doubt at all the seniors in this province are not a group within our communities who are known to be complainers. Generally speaking they are doing reasonably well, thanks in part to the policies of this government. One of the policies of this government was designed to give the seniors in Ontario a property tax grant and a sales tax grant which they did not have to wait for until they filed their income tax. It was something that was available to everyone.

Although I appreciate the members opposite would like us to set up another huge bureaucracy to administer such a program, as they would in Ottawa, it is much easier to tag on to a program we already have in existence, to recognize that age is the criterion for the grant. Then we can tailor it to fit right in with the information we have pertaining to the present property tax grant.

I do not think that takes away at all from that other part of the program designed to assist in heating costs for those at the lower end of the income scale.

Mr. Cassidy: Supplementary, Mr. Speaker: Could the minister explain why the program that has been devised is so stingy the government may as well just send a sweater to every family that might be able to benefit so they can bundle up against the cold? Why is it the people get less as the costs increase? Specifically, how is it the minister comes up with a program which for 1983 will give a family, at the most, the equivalent of five per cent of the increase in oil costs. It will give them, if they are lucky, a \$20 grant when the cost of heating a home on average is going to be more than \$1,000. When the government gives so little and the costs are going up by so much, why on earth has the minister brought in the program at all, unless it is to try to clean up the Conservative Party's image?

Hon. Mr. Ashe: Mr. Speaker, I can assure the honourable member this party's image does not need any cleaning up at this time—or ever.

I think I have said twice before, and I know the Treasurer said it in announcing the program, but this is designed as a temporary program. It is not meant to be the end-all and be-all as far as increased future costs to heat a home are concerned.

We figure that somewhere along the line those levels of government receiving additional revenues because of the increased cost of heating—and it is not this Treasury—will put in place some kind of credit that will recognize the problems the member has already discussed. They are legitimate problems, there is no doubt about that at all. In the meantime, we are allowing that other level of government to, I hope, phase in a program that will go the other way. We have put ourselves on notice as at least temporarily doing something, which is surely much better than doing nothing.

Mr. Peterson: Mr. Speaker, is the rationalization for this half-baked program that the minis-

ter is going to use up some of the revenue and redistribute the revenue from the ad valorem tax on transportation fuels? How can he use that justification and how can he be happy about that when the cost of this program will go from about \$66 million to \$40 million to \$20 million—will diminish very rapidly over a three-year period—while at the very same time, the government is going to get rapid increases in windfall profits from the ad valorem tax? It has turned into massive windfalls ever since it was introduced by the government. In fact the government is going to be profiteering very handsomely from that tax and a mere pittance of that will be redistributed in any meaningful way by this program.

Hon. Mr. Ashe: Mr. Speaker this is looking at a specific set of circumstances in isolation. It is true one can perceive of this—and I think I even referred to it last night—as one of the ways this government can take those additional revenues and feed them back to that area where it is needed most. But that does not mean this is the only program for which this government will be diverting and using funds raised by the Gasoline Tax Act over the next number of years.

There is no doubt about it, this one is going down while the other is going up, but there will be other uses for those revenues as they are coming in higher amounts over the next number of years. It is called reasonable and responsible fiscal management.

ASTRA/RE-MOR

Mr. Smith: Mr. Speaker, I would like to direct a question to the Solicitor General and Attorney General, concerning a statement he delivered to the House on the Astra/Re-Mor affair. In the first place, the minister purported to be answering questions that were put by the member for St. Catharines (Mr. Bradley)—he delivered his statement as though it were a series of answers to those questions. I would ask the minister whether he intends to answer all the questions that were put by the member for St. Catharines? I draw his attention to the fact that he did not answer the following questions, and I ask him if he intends to do so.

When did the anti-rackets squad of the Ontario Provincial Police begin their involvement in the Astra/Re-Mor investigation? Did the criminal investigation branch of the OPP get involved and if so, when? Was there any special investigation commenced to look at suspected organized crime links? When and by whom? Were the OPP consulted by the provincial

registrar of trust companies before the provincial registration of Astra Trust? If so, what was the nature of their report?

Regarding the tape recordings seized from Carlo Montemurro which the minister says were never in the possession of the OPP, he says: "The OPP never had possession of one with a conversation with Mr. Clement." Did the OPP or anyone else in Ontario ever have possession of any tape recordings such as those described in the Burlington Post? In particular, did they have those not only of Mr. John Clement but of a conversation between Mr. George Bagnato and Mr. Carlo Montemurro? Is it the intention of the minister to answer the remaining questions he has left unanswered in his statement?

3 p.m.

Hon. Mr. McMurtry: Mr. Speaker, I thought it was clear in my statement the intention was to outline in detail the role of the Ontario Provincial Police without in any way attempting to interfere with ongoing criminal prosecutions. In that respect I think my statement achieved that goal. It outlined in some detail the role of the Ontario Provincial Police. It was not the purpose of the statement to engage in a lot of idle speculation which certainly was implicit in some of the questions put forward by the member for St. Catharines.

Mr. Smith: It is of course not my view that any of those were idle speculation. But it is interesting the minister did say in his statement, "I intend to respond to the questions raised by the member for St. Catharines, as well as detail the work of various forces..." and so on. The minister now says he does not intend to respond to some of the questions raised by the member and that begs the question of where and when those questions will ever be answered.

The minister will know that one of the matters in contention between the Ontario Securities Commission and the ministry is whether a sufficient amount of warning was given by the OSC to the ministry when licensing Re-Mor. He will know there is conflicting evidence in this regard as to what was or was not passed between them.

The document says, "If we refuse application on grounds of financial responsibility, OSC will back us up." That is what the original said. The photocopy provided to the standing committee on administration of justice had a question mark implying, "We don't know if the OSC will back

us up," a serious matter which obviously suggests that somebody was trying to change, as the minister says, the context of the question.

Given that alteration occurred after the original was already filed, will the minister not agree that whoever altered that document was trying to create a false impression and was trying to cover up the tracks of whatever he or his associates were doing? Why else would anybody insert a question mark after the fact to give the impression the OSC might not be willing to back them up and, therefore, might not have given the information to the ministry?

Hon. Mr. McMurtry: I have answered the question to the extent I feel qualified to answer. The view of the Ontario Provincial Police and the forensic science investigation involved in the examination of this document, as I stated yesterday, was that the question mark was added at some later date. They have stated the purpose of doing so was, in their view, to change the meaning of the sentence. The police have been quite frank in indicating their opinion in this respect. It is not for me to speculate as to what should flow from that.

Mr. Renwick: Supplementary, Mr. Speaker: Will the Solicitor General explain why, in his carefully prepared statement yesterday and again today in the carefully prepared statement of the Minister of Consumer and Commercial Relations (Mr. Walker), there is no reference in connection with the separate criminal investigation into the role of the minister in the chartering at the federal level of Astra Trust and the licensing at the Ontario level of Re-Mor? Why is there a complete omission of any statement with respect to the licensing or registration of Astra Trust in Ontario by the Ministry of Consumer and Commercial Relations to carry on business in Ontario?

In connection with that question, did the criminal investigation report, of which the minister has not yet received a full copy, disclose that on at least one, possibly two and maybe three occasions, the Royal Canadian Mounted Police reported to the chartering officials in Ottawa adversely about the chartering of Astra? Did the criminal investigation report disclose that this information was available to the Ministry of Consumer and Commercial Relations at the time of the licensing or registration in Ontario, by Ontario, of Astra Trust?

Hon. Mr. McMurtry: First of all, Mr. Speaker, in further response to the questions put

forward by the Leader of the Opposition, I would remind him of that portion of my statement yesterday indicating that the Ontario Provincial Police investigation of this particular document and the witnesses who might be helpful was, in their view, prejudiced by the fact that there was a parallel investigation going on at the same time by the standing committee on administration of justice. I had objected to that at an earlier date.

In answer to the question by the member for Riverdale regarding my statement yesterday being silent in relation to the criminal investigation pertaining, on the one hand, to the licensing of Astra Trust by the federal authorities and, on the other hand, to the registration of Re-Mor by the provincial authorities, as far as the registration of Astra in Ontario is concerned, my understanding of the situation is that its registration is something that virtually flows automatically from the licensing by the federal authority. As the member for Riverdale knows, the Great West Saddlery constitutional case made it very clear that provincial authorities would not have any right to prevent a federally chartered company from carrying on business.

As far as the Ministry of Consumer and Commercial Relations is concerned, I can assure the member that the police investigation in Ontario, as I understand it, dealt with every aspect of the activities of the ministry and officials therein in relation to both Re-Mor and Astra. There is absolutely no gap whatsoever with respect to the investigation, which was directed, as it must be, to determining whether any criminal offence was committed by any official, federal or provincial, with respect to registration and licensing of any of these companies. Regarding conduct that might fall short of the possibility of a criminal offence, it is not the role of the police to investigate the adequacy of the licensing procedures.

The member asked me for details as to what information may or may not have been available to the Ministry of Consumer and Commercial Relations about Astra prior to the registration of Re-Mor. That is information I do not have. Obviously, that information is or is not in the possession of the Ministry of Consumer and Commercial Relations.

Mr. Bradley: Supplementary, Mr. Speaker: I hope the Attorney General will investigate or ask the police to investigate further the altered document. It is obviously an attempt to deceive the committee to have two versions of the same document before it.

3:10 p.m.

The minister said in his statement, "In so far as the civil cases are concerned, these cases are based on wide-ranging allegations of negligence involving all responsible government ministries, agencies and officials. Obviously, these matters are going to be explored in great detail in the courts where they should be explored this fall. It is inconceivable to me that any of this relevant information will not be forthcoming in so far as the civil trials are concerned."

In the light of that statement, can the minister tell us how—in a trial relating solely to whether there was negligence on the part of the registrar of mortgage brokers in the issuance of a licence to Re-Mor Investment Management Corporation—the following issues would be dealt with or would be relevant: the charge that the Ontario Securities Commission failed to lay criminal charges until it was too late, gave authorization for illegal payments, approved holding off a key receivership application and approved or condoned holding off proceeding with Securities Act charges?

Hon. Mr. McMurtry: Mr. Speaker, the action is framed in negligence, and the Ministry of Consumer and Commercial Relations is a party to that action. Any allegations related to negligence or carelessness on the part of the minister in relation to the registration of Re-Mor would be relevant or indeed—

Mr. Smith: But that's Astra.

Hon. Mr. McMurtry: The Leader of the Opposition says, "with respect to Astra."

Mr. Smith: Yes; that's Astra.

Hon. Mr. McMurtry: In so far as it might relate to any negligence or carelessness in the registration of Re-Mor, that would be undoubtedly regarded as relevant and admissible evidence. As I understand the issue, and I have been listening to it month after month, the allegation is that the ministry or officials thereof were careless or negligent with respect to the registration of Re-Mor. All facts that might pertain to that allegation would be admissible.

FREEDOM OF INFORMATION

Mr. Cassidy: Mr. Speaker, I have a new question, also for the Attorney General, arising out of the very lengthy objection to the federal freedom of information bill which the Attorney General has lodged in Ottawa. Will the Attorney General say whether in making that submission he was acting with the authority of the cabinet and of the government?

Can he explain why, in view of the promise

the Premier (Mr. Davis) made a year ago that we would have freedom of information legislation here in the province, he was seeking to stifle at the federal level what the Premier has been promising to bring in at the provincial level in Ontario?

Hon. Mr. McMurtry: Mr. Speaker, I have some difficulty in understanding the question, because we are dealing with federal legislation within the constitutional jurisdiction of the federal government, quite apart from legislation that will be introduced in Ontario.

My letter to Mr. Fox, as Attorney General and Solicitor General, is a 22-page letter, a copy of which I would be happy to send to the leader of the New Democratic Party. He will note in the letter that most of my concerns are related to law enforcement in Ontario and to possible very serious problems that could be created for law enforcement in Ontario, intelligence operations and the sharing of information with the federal law enforcement agencies.

These are matters that should be of concern to any citizen in the province who is concerned about maintaining a high level of law enforcement. Certainly my views were those of the minister responsible for law enforcement in this province.

Mr. Cassidy: One cannot help feeling that the minister was carrying on in Ottawa the rearguard action he has been carrying on within the cabinet in terms of trying to block freedom of information legislation here in the province.

Can the minister explain why it is that he was proposing in his letter to the federal government that there should be no disclosure of any information that falls within the exclusive responsibility of the province? Was the minister not suggesting in effect that there should be a conspiracy of silence between the federal and provincial governments in which Ontario or the provinces would seek to have a veto over a large amount of information that might otherwise be disclosed at the federal level and presumably then agree to giving the federal government a veto over a large amount of information that might be available provincially?

Is it not the case that the consequence would be to so tie up the question of freedom of information in red tape that no one would ever find out anything that governments did not want him to know?

Hon. Mr. McMurtry: There is absolutely no

substance whatever to the wild and rather woolly-headed conspiratorial theories of the leader of the New Democratic Party.

Mr. Speaker: Final supplementary, Mr. MacDonald.

Mr. MacDonald: Supplementary, Mr. Speaker: The Attorney General is aware that a draft freedom of information bill for Ontario was prepared as far back as 1977 and the government opted instead for a royal commission. After three years of the Royal Commission on Freedom of Information and Individual Privacy the Premier gave assurance that, with its report, the government would proceed without delay to its implementation.

Presumably the member for Cochrane South (Mr. Pope) was appointed as Minister without Portfolio with major responsibilities for doing that. With respect to the offer of the new minister who now has that portfolio, the member for Carleton-Grenville (Mr. Sterling), can the Attorney General give us some assurance that the offer of a study paper that will not be available until fall is not just calculated procrastination?

If he wants to give us a study paper that presumably will be a specific reaction to the recommendations of the royal commission, that is fine, but can we not have a draft bill so that interested groups and citizens can look at it over the summer and, one hopes, we can get it passed by this Christmas, since we did not get it by last Christmas as promised by the then Minister without Portfolio?

Hon. Mr. McMurtry: I think the manner of proceeding stated by the minister responsible for freedom of information in this province, the member for Carleton-Grenville, is the wise and prudent manner of proceeding.

Mr. Foulds: Why are you stonewalling?

Mr. Speaker: Order.

Hon. Mr. McMurtry: In this way we are going to avoid a number of very unfortunate mistakes that have been made in other jurisdictions.

Mr. Cassidy: Seven years of stonewalling.

Mr. Speaker: Order.

Hon. Mr. McMurtry: For example, the freedom of information legislation in the United States has succeeded in almost totally discouraging the exchange of important intelligence information between police forces in the United States, with the result that their law enforcement has been seriously undermined. Freedom of information in the United States has been

used by criminal figures to obtain information to assist them to identify police informants. It is this type of activity we want to avoid.

Mr. Cassidy: Another promise broken.

Mr. Foulds: Let's all reject Baldwin's bill.

Hon. Mr. McMurtry: At times the members opposite would appear to be the party in favour of anarchy.

Mr. Martel: You should crawl into a hole. What a clown you are. What a disgrace.

Interjections.

Hon. Mr. McMurtry: They will always be the third party; so they can afford the luxury of advocating anarchy. But we on this side of the House have responsibility for the proper governing of the province. We cannot afford the luxury of indulging in advocating anarchy.

It is terrible the way they carry on, Mr. Speaker. They will not even let me answer a question.

Mr. MacDonald: On a point of personal privilege, Mr. Speaker: I ask you whether it is an appropriate parliamentary statement for a minister to get up and accuse an opposition party of being a party of anarchy?

Mr. Speaker: I think it was a rather unfortunate use of words.

Mr. Martel: He should withdraw it.

Mr. Speaker: Would you like to reconsider that, Mr. McMurtry?

Hon. Mr. McMurtry: Mr. Speaker, obviously they are not in favour of anarchy; they just pretend they are.

Mr. T. P. Reid: I had wanted to put a supplementary, Mr. Speaker, and it should have fallen to us.

Mr. Speaker: You are quite right, I try to do it in rotation. I hesitated before I recognized Mr. MacDonald—

Mr. MacDonald: Nobody got up over there.

Mr. Speaker: Nobody rose.

Interjection.

Mr. Speaker: No, they did not, with all respect.

Mr. T. P. Reid: That's fine, but you cut off supplementaries, because—

Mr. Speaker: I clearly indicated that was the final supplementary.

New question, Mr. Cassidy.

3:20 p.m.

Mr. Cassidy: Mr. Speaker, I am relieved, having left my Molotov cocktails at home, that

the minister has withdrawn the comment about anarchy, because I thought that the comment by "Stonewall McMurtry" comment applied as much to the Premier, who promised the legislation, as to the New Democrats who have been fighting for it, and I would hate to think of the Premier of Ontario as an anarchist.

HOUSING PRICES

I have a new question for the minister of higher and higher and higher-priced housing, Mr. Speaker.

Mr. Smith: The dream home minister.

Interjections.

Mr. Speaker: Proceed, Mr. Cassidy.

Mr. Cassidy: With respect to the minister's statement on Monday that in this community—he meant Metropolitan Toronto—some 70 per cent of the units were selling below \$80,000, which he considers a modest price, is he not aware that, contrary to the impression he was trying to give, in May, according to the Toronto Real Estate Board figures for Metropolitan Toronto and the surrounding area, just over 50 per cent—a far cry from 70 per cent—of the houses that were sold were sold for less than \$80,000?

Is he also aware that even those houses that sold for \$80,000 would cost \$3,886 per month for principal, interest and taxes, a sum of money which I suggest to the minister is far beyond the capacity of the average family in Metropolitan Toronto to afford?

Hon. Mr. Bennett: Mr. Speaker, I am delighted that the leader of the third party raises the question again today.

On Monday he was referring to the Royal Trust survey, which was dealing with a housing style number one and a housing style number two. The leader of the third party has mentioned the Royal Trust survey on housing prices across the province. He went on at great length about this survey and particularly referred to what he called the price for a typical modest bungalow, if I recall correctly.

I will even quote from Hansard where he said: "The price of an average three-bedroom bungalow without a recreation room, without a fireplace, without appliances—simply a three-bedroom bungalow of about 1,200 square feet—has gone in one year from a price of \$84,000 to \$120,000."

I know the leader of the third party has never ever tried to mislead this House, and far be it from me to want even to indicate that he was

attempting to do that on Monday, but I suggest that he may like to check with his NDP research people to see if they have not made a slight error in quoting the Royal Trust survey.

Here is the report that was referred to. There are the two house styles that I mentioned. The description the member read, and which I have just repeated, was indeed for a bungalow. But, according to his report, the average price for it in Scarborough, if I recall correctly, was \$120,000. That was the member's quote. But the so-called average price of this modest bungalow, according to the Royal Trust report, is \$87,500, or some \$32,500 less than the member happened to quote.

Mr. Cassidy: On a point of order, Mr. Speaker: With respect, that was in February; the minister should quote the price in June.

Mr. Speaker: Order.

Hon. Mr. Bennett: Mr. Speaker, he was referring to the last report, which I understand was brought out by the Royal Trust in our conversation with them. He indicates very clearly that in Scarborough house number one—

Mr. Foulds: Is that June or February?

Mr. Speaker: Order.

Mr. Cassidy: I have it right here. The Minister of Housing does not know the situation. Why does he not look after housing?

Mr. Speaker: Order.

Hon. Mr. Bennett: There is always the possibility that the Royal Trust could have given us an obsolete report, but I doubt it. I just say very clearly that the report—

Mr. Smith: Your assistants are giving you obsolete reports. You've got obsolete assistants.

Mr. Speaker: Order. Mr. Bennett, proceed.

Hon. Mr. Bennett: I am very clearly indicating that the figures we have and the ones quoted by the leader of the third party are considerably out of whack. I suggest that he may like to have a little discussion with his research people—

Mr. Smith: The minister is out of date.

Hon. Mr. Bennett: The Leader of the Opposition has been out of date for a long time. He found that out some weeks ago.

Mr. Speaker: Order.

Hon. Mr. Bennett: Let me go to the question of the number of people—

Interjection.

Hon. Mr. Bennett: When we look at the multiple listing service listings of sales in this community, back in the first quarter of 1980—

Mr. Foulds: Which decade is this, Claude? The 1980s?

Hon. Mr. Bennett: I will come back to what the member is asking in a moment.

In the first quarter of 1980, 10 per cent of the units sold were below \$40,000; 31 per cent of the sales were between \$40,000 and \$60,000; and 31 per cent were between \$60,000 and \$80,000. Which, in my calculations, is something in the range of 72 per cent.

Going to the first quarter of 1981, we still have the situation where below \$40,000 was seven per cent of the market, \$40,000 to \$60,000 was 30 per cent of the market, and between \$60,000 and \$80,000 was 28 per cent of the market. If one adds those up, about 65 per cent of the units sold in this area, through MLS listings, were below \$80,000.

When we look at the most recent figures MLS has put out, for the first four months of this year, we see that units below \$40,000 were seven per cent of the market, from \$40,000 to \$60,000 was 28 per cent, and between \$60,000 and \$80,000 was 27 per cent of the market. There is still a very substantial portion of the market in that particular price range.

Mr. Cassidy: I will send the minister the quote from the Royal Trust survey showing that house style one, which the minister will recall is a modest bungalow—three bedrooms, 1,200 square feet, no frills—by June 1981 was selling for \$145,000 in the centre of Toronto, \$137,000 in Thornhill, \$134,000 in Don Mills, \$130,000 in Etobicoke, \$120,000 in Scarborough, \$115,000 in Richmond Hill and \$105,000 in Bramalea. All those figures put that house completely outside the reach, in terms of affordability, of anybody earning anything close to the average family income.

On Monday, I pointed out that those homes had gone up in price between 1980 and 1981 by sums of 35 per cent, 40 per cent, 45 per cent; they were 48 per cent higher in Bramalea, 42 per cent higher in Scarborough and 51 per cent higher in Richmond Hill.

I am shocked by the fact that the Minister of Housing does not seem to be aware of the fact that there has been a most extraordinary escalation of housing prices, and nothing has been done by this government.

Given the fact that only one per cent of the houses that have been changing hands in

Metropolitan Toronto conceivably could be within the reach of affordability of a family on the average industrial wage in Metropolitan Toronto, and given the fact that perhaps 20 per cent of all the houses changing hands are still barely within reach of a family on the average family income in Metropolitan Toronto, will the minister say whether the government now is prepared to take action to bring back the reality of home ownership for every family in Ontario, and in Metropolitan Toronto, and not just for the privileged few?

Hon. Mr. Bennett: I do not think the opportunity of purchasing in this province is for the privileged few. Sales continue to happen in various communities and, indeed, in this one. We can talk about reality. I suppose what we have in the housing market today is reality.

Mr. Ruprecht: Supplementary, Mr. Speaker: In the 1950s, about 30 per cent of Metropolitan Toronto families could afford to buy a house here. Today it is about 5.6 per cent to six per cent. I want to ask the minister when is he going to get up off his hands and come up with a policy that does not reflect the realities of March 19?

Hon. Mr. Bennett: I am not sure I altogether followed the member's opening remarks, Mr. Speaker. If I were to ask the question in a general sense about when there became an imbalance between ownership and rental in the Metropolitan Toronto area, I am sure most people would try to tell me it was in about the late 1960s and early 1970s. The difference in ownership versus rental went out of balance in 1926 in this particular community. More people became renters in 1926, and a great many of them by choice.

3:30 p.m.

Mr. Cassidy: Since for 17 years prior to this government coming to office and for 38 years since this government came to office this apparently has been a problem as far as the minister is concerned, will the minister kindly say when is it that the government intends to act to ensure that home ownership can be achieved by people living in Metropolitan Toronto?

Hon. Mr. Bennett: I have said in this House before, and I suppose I can repeat it again, when the government starts getting into the position of trying to resolve or soften a market position for people, it cannot be done singularly by a provincial government.

The leader of the third party can sit and shake his head. This government has a responsibility to those who happen to own their homes at the

moment and who have struggled to pay for them. Indeed, I suppose if we went back and did a survey of the situation and made comparisons, we probably would find that the difficulties in trying to acquire a home 20 or 30 years ago were just about the same as they are for some people today.

I want to suggest once again that I do not think everyone should start off by feeling in the first year of marriage and so on that they are going to be able to afford to buy a home. I am not trying to give any advice; I am only trying to have some reality about the life we happen to be living in. That is the economics of the day. We have tried to accommodate certain programs to put into use more rental accommodation. We have tried at times in the past to help in the ownership market and indeed, as I recall, there was even criticism at that time from the opposition.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: Mr. Speaker, I have a question to the Solicitor General concerning the incidents between the Ontario Government Protective Service and the Ontario Provincial Police and the reporting of the ongoing harassment and intimidation of the members of the Ontario Government Protective Service.

Can the minister explain to us why he has ignored the request of the Ontario Public Service Employees Union to have the complaints of harassment and intimidation investigated by someone with experience in matters of labour disputes, within which category these sort of complaints seem to fall, as opposed to having appointed the deputy coroner, Dr. Ross Bennett?

Can the minister indicate under what authority he appointed Dr. Bennett to hear these matters?

Hon. Mr. McMurtry: Mr. Speaker, grievances have been launched by one of the members of this union who has been dismissed as a result of an incident about which there is undoubtedly a great deal of controversy and a great deal of difference of opinion.

Under our grievance procedures, there is a provision for a hearing. As a matter of fact, the hearing could have been conducted by somebody—anybody, I suppose—within the Ministry of the Solicitor General. We chose Dr. Bennett, because he was obviously someone who does not have any day-to-day involvement with the branch of the ministry, nor is it in any way within his dealing with the Ontario Provin-

cial Police or the security service, which does serve members of this Legislature, I think very well.

There is a great deal of controversy surrounding this incident. We simply opted in favour of a hearing pursuant to the grievance procedures before somebody who has no particular involvement, no possible conflict of interest, and who is able to conduct a full and fair hearing.

This should not be confused with any allegations in relation to alleged harassment. Anybody who is suggesting he is being harassed—I think from what I have heard, it is anonymous telephone calls—has the right to report these to local police authorities. The police will co-operate in assisting these people as they would assist any other citizen who is being subjected to any harassment.

I think they are two different issues. Some people may think they are somehow related, but we are not insensitive to the allegations that some individuals say they have received anonymous telephone calls. The difficulty is of finding or establishing who is making these calls. But, quite apart from that allegation, there is the important issue of the grievances that have been submitted. We just think there should be a full and fair hearing in order that the issues may be resolved. That is the route we have chosen to follow, which is quite consistent with the manner in which we traditionally deal with grievances within the government service.

Mr. Elston: The matter has become one that is very important to the union and it has given them no end of concern. I note the minister has himself stated there is no question there is a considerable amount of unhappiness within the group, that is, the members of the Ontario Government Protective Service. Could the minister explain why he has not been more attentive to their request for someone who has experience in relation to labour matters when this is, in particular, a matter dealing with a labour dispute?

Hon. Mr. McMurtry: As I pointed out before, we are not dealing with a matter that involves any particular knowledge of labour law. We are dealing with a factual situation about which many conflicting views have been volunteered. It is a question of appointing a hearing officer who is capable of conducting a hearing, who has a broad understanding of human behaviour and who is going to perform in a fair and impartial manner.

I understand there is a right of appeal to a full grievance board from this hearing officer. The suggestion that this individual is not particularly familiar with labour law or labour matters is, in my respectful view, a total red herring.

Mr. Breaugh: Supplementary, Mr. Speaker: I would like to ask the minister if there is not some better way to resolve this dispute by attempting to find someone who can hear the grievance, who is acceptable to both sides and who has a background in labour matters and perhaps with police matters as well. I think that is the heart of the problem. We do not seem to have come upon a mechanism which both sides would deem to be fair. Does the minister not feel some personal conflict in the process since he is, in a sense, the employer, the manager, the overseer and the arbitrator?

Hon. Mr. McMurtry: No, Mr. Speaker, not given the nature of these proceedings. I think the first step is to have a proper airing of conflicting evidence as to what occurred. From there it may go to the full grievance board. I think this is the way it should proceed. Quite frankly, the representation we have had has not been in relation to the individual who has been appointed.

The concerns I have heard about the appointment of Dr. Ross Bennett, I have read in the newspaper. There has been no formal communication with me whatever or with officials of my ministry. The only communication there has been with us, except through the newspaper, has been to replace or supplant the appointment of Dr. Bennett, to go the route of some form of mediation as opposed to having the hearing. That really is what has been suggested to us, “Don’t have a hearing at this stage but embark on some form of mediation.”

The difficulty is, given the reports I have been made privy to, given the wide discrepancy of evidence as to what happened, it would appear to us at this point the two sides are so far apart no mediation would serve any useful purpose until there has been an initial hearing. I hope this will lead to some better understanding down the road. Right now we have an employee who, I understand, has been dismissed as a result of an incident that occurred and who has launched a grievance. In fairness to everybody we think that grievance should follow the normal course.

3:40 p.m.

DEATH OF THOMAS MICHAEL DAVIES

Mr. Mackenzie: Mr. Speaker, I have a question of the Minister of Community and Social Services. In view of the tragic and brutal death of one 13-month old twin, Thomas Michael Davies, earlier this month in Hamilton, a death that may have been the result of brutality over a period of time, will the minister conduct a thorough investigation of the circumstances surrounding the death and report back to this House as soon as he is free to do so?

Hon. Mr. Drea: Mr. Speaker, that investigation has been under way for more than a week. I do not have the report yet. I will have it shortly. It is an investigation outside the scope of the police investigation which resulted in substantial criminal charges being filed. When I receive the report I will have to be guided by some advice on the sub judice parts of it, but I certainly will share with the House whatever portions of the report I can, if any, until the matter is disposed of in the criminal courts.

Mr. Mackenzie: Supplementary: Will the minister, in his investigation, cover with care the procedures involved in monitoring the treatment of children involved in homes where authorities believe or know risk is involved? Will he also cover the adequacy of resources and funding and the interplay and communications between the regional social services and the children's aid society and any other agencies concerned in cases such as this in an effort to ensure that in future cases where there are warning signals, we can provide more protection to a child than we were able to give to 13-month old Thomas Michael Davies?

Hon. Mr. Drea: Mr. Speaker, I think that accurately describes the nature of the investigation. I believe the report has been filed with the area office in Hamilton by the Hamilton-Wentworth Children's Aid Society and is being analysed by the area office.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: The Kim Anne Popen case, the Nijah Degg case and now this case in Hamilton are all sub judice. We are expecting a report on those various cases we are not able to see, and we have been waiting in the case of Kim Anne Popen for some two and a half years. In view of this, does the minister not feel there is now need for a provincial study of the problems in terms of the interconnecting agencies, like CAS and social service agencies around the province, in terms of how they are dealing with these child abuse cases which are becoming an increasing prob-

lem in our society? Should we not be having our own provincial task force with a major study on these interactions?

Hon. Mr. Drea: Mr. Speaker, I think that would be premature at this time. The matter of the Popen case in Sarnia is sub judice at the moment because of a decision of the Court of Appeal reversing a previous conviction in a lower court. The Degg inquest, which I believe will be a rather substantial study, at least in the particular area the member is talking about, has to wait until the appeal on a criminal conviction has ended and the courts have disposed of it. This one has to wait because of the nature of the charge.

I would hope with expeditious movement through the courts—and certainly without prejudicing or without making any suggestions to the courts—we will not really wait too long for those follow-up studies. I understand one of them is already completed. The second one will be in the form of an inquest and the third—whatever is determined in the Hamilton-Wentworth area. I would like to see those results before seeing what else may be necessary.

AUTOMOTIVE PARTS TECHNOLOGY CENTRE

Mr. Watson: I have a question for the Minister of Industry and Tourism. An article that appeared in the Windsor Star on Tuesday, June 23, refers to the fact that Ontario is being arm-twisted by the federal Minister of Industry, Trade and Commerce, Herb Gray, into considering Windsor as a site for an auto parts technology centre, which was outlined in the Board of Industrial Leadership and Development program.

Can the minister advise us if the government has had any change of plans since the original statement was made that Chatham was one of the areas being considered for this technology centre?

Hon. Mr. Grossman: Mr. Speaker, there has been absolutely no change from our indication in the BILD program that the two sites would be the Niagara peninsula or Chatham.

Second, I might say that to my knowledge there has been absolutely no arm twisting by Mr. Gray or the federal government with regard to the location of that centre.

Mr. Watson: Supplementary, Mr. Speaker: Can the minister then advise us of the status of

the planning for this proposed centre? Can he give us an indication as to when an announcement might be made concerning the centre?

Hon. Mr. Grossman: Mr. Speaker, I expect a decision to be announced by late summer or early fall at the conclusion of continuing discussions with the municipalities in the Niagara peninsula and the great municipality of Chatham.

Mr. Peterson: Supplementary, Mr. Speaker: During the campaign the Minister of Consumer and Commercial Relations (Mr. Walker) made some suggestion that it may go into Windsor.

Is it still the minister's intention to put the auto parts research centre on wheels and keep it going between Chatham and the Niagara peninsula?

Hon. Mr. Grossman: No, Mr. Speaker. We are going to put several of the candidates for the leadership of the Liberal Party on wheels.

At the moment we think the people in Windsor will certainly feel well treated by this government. In negotiations on the Chrysler deal the federal government was unable to get any research and development for Windsor, but negotiations by this government got one for the Windsor area from the Chrysler Corporation. So the Windsor area has not been neglected in terms of the auto industry and research and development.

RENTAL CONSTRUCTION LOAN PROGRAM

Mr. Ruprecht: Mr. Speaker, since I have come to this House and watched the Progressive Conservative government—

Mr. Speaker: Ask a question, Mr. Ruprecht.

Mr. Ruprecht: It is a question. I would say that their record has been pretty pathetic: no action on interest rates—

Mr. Speaker: Question.

Mr. Ruprecht: —no action on housing prices, and now we find the vacancy rate in the Metropolitan Toronto area is less than 0.4 per cent.

Interjections.

Mr. Speaker: Would the minister not agree?

Mr. Ruprecht: I would say the Minister of Housing should be aware—

Hon. Mr. Grossman: Is the minister aware?

Mr. Ruprecht: Is the minister aware that he is—

Interjections.

Mr. Ruprecht: Mr. Speaker, may we have some order from our friends to the left?

Mr. Speaker: Order. Proceed, Mr. Ruprecht.

Mr. Ruprecht: The minister should be aware he is responsible for the flight of many of our young people out of the Metropolitan Toronto area. What is he going to do about the low vacancy rate in this metropolitan area? What will he do to increase housing construction as soon as possible?

Hon. Mr. Bennett: Mr. Speaker, I spoke Monday afternoon on the no-confidence motion and indicated some of the changes in the Ontario rental construction loan program. I am very optimistic that we are still going to have some 15,000 units built in this province as a result of that program, and for which the member's friend in Ottawa, Mr. Cosgrove, constantly takes the full credit. There are extra starts going on at this time.

I just wish that if the member is so sincere about this issue he might take a minute or two out of his busy day to phone Mr. Cosgrove and indicate to him—because he does not realize it—there is a short supply of rental accommodation in the Metropolitan Toronto area. We have recognized it, we have spoken on it and we have taken action.

We have taken the Ontario rental construction loan program and on the 1,500 units—as I said on Monday afternoon in answer to the no-confidence vote by the Leader of the Opposition—we are increasing the sum from \$4,200 to \$6,000, interest- and principal-free for a 25-year period. We believe in the analysis we have been able to do with the industry, with the mortgage insurance people, and indeed with the lenders and developers, that this program, with the adjustment made to it in relation to the new interest rate of about 18.5 per cent, will be viable and will put under construction, if and when they get their building permits, the units we have been talking about.

3:50 p.m.

Mr. Ruprecht: Final supplementary, Mr. Speaker: This is really very interesting. I have stood here asking the minister to supply us with information about the Ontario rental construction loan program and how many units were being constructed in this area. Now we want the truth. Will the minister be honest with people in this House at least? Never mind the people out there in Ontario or the Metropolitan Toronto area—we are asking him to be honest with us. Will he finally admit right here that the Ontario rental construction loan program has been a total failure? I am asking him what he is going to do about it?

Hon. Mr. Bennett: Mr. Speaker, I would be far from admitting that to the member for Parkdale (Mr. Ruprecht) for sure. In the time this program has been under way we have had a total of 185 applications; I will wind up very quickly, Mr. Speaker, but since the member for Parkdale poses a rather lengthy question I will try to bring my answer into line.

Mr. Smith: Zero, fully approved in Toronto.

Hon. Mr. Bennett: The Leader of the Opposition must be talking about his last test.

Units applied for: 18,662. Units approved: 11,993. Units committed in this province: 3,074. We still have just short of 2,200 units we are processing and analysing. For Toronto and district, in Toronto, units approved:—

Mr. Smith: Zero homes approved in Toronto.

Hon. Mr. Bennett: The member must have got a second zero in his test.

Mr. Speaker: Address your remarks to the question.

Hon. Mr. Bennett: Toronto: 609; Brampton—

Mr. Smith: Six hundred and nine what?

Mr. Speaker: Order.

Hon. Mr. Bennett: The member should go back and find out what the question was. I am answering it. Toronto: 609; Brampton: 413; Mississauga: 2,163; North York: 895; and Scarborough: 1,861. Toronto, North York, and Scarborough are in the metropolitan area, to the best of my understanding.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 59, An Act to amend the Fire Marshals Act.

Report adopted.

Third reading agreed to on motion.

INTRODUCTION OF BILLS

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Elgie, seconded by Hon. Mr. Drea, moved first reading of Bill 128, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

Hon. Mr. Elgie: Mr. Speaker, may I ask the indulgence of the House to revert to statements for a moment so that the details of this bill can be outlined for members?

Mr. Speaker: Do we have the consent of the House?

Agreed.

Hon. Mr. Elgie: The immediate changes contained in the bill may be summarized as follows:

First, an increase in the ceiling on earnings from \$18,500 to \$22,200, effective July 1, 1981, which means the maximum weekly rate of benefits payable will increase over that two year period from \$266.90 to \$320.20.

Second, recognizing the needs of injured workers who have received temporary disability benefits for prolonged periods, an amendment is included which increases their benefits by a further factor of 10 per cent after they have received temporary disability benefits for 24 months. Under the present legislation the injured worker already receives 10 per cent after 12 months.

Third, disability pensions awarded for accidents occurring prior to June 30, 1981, will be increased by a factor of nine per cent effective July 1, 1980.

Fourth, in addition, pensions awarded for accidents occurring prior to June 30, 1981, will be increased by a factor of 10 per cent effective July 1, 1981.

Fifth, minimum permanent total disability pensions will be increased to \$623 per month effective July 1, 1980, and to \$686 per month effective July 1, 1981. Minimum partial disability pensions will be raised proportionately on these same effective dates. I draw to the attention of members who have a copy of the statement, there was a correction in it and I read it as corrected.

Mr. McClellan: Would you read that again, please?

Hon. Mr. Elgie: Repeating number five, minimum permanent total disability pensions will be—and here comes the change—increased to \$623 per month effective July 1, 1980, and to \$686 per month effective July 1, 1981.

Sixth, pensions for dependent spouses will be increased in two steps to \$447 per month effective July 1, 1980, and \$492 per month effective July 1, 1981.

Seventh, pensions for dependent children will be increased to \$123 per month effective July 1, 1980, and \$136 per month effective July 1, 1981.

Eighth, orphans' pensions will be increased to \$139 per month effective July 1, 1980, and \$153 per month effective July 1, 1981.

Ninth, pensions for dependents other than spouses and children will also be increased proportionate to those increases granted to dependent spouses.

Tenth, the minimum for temporary disability will be increased to \$156 per week effective July 1, 1981. This means that on or after that date those workers earning \$208 or less per week will receive a minimum of \$106.56 per week and all workers earning \$156 or less will receive tax-free compensation equal to their full earnings. This will include part-time workers.

Eleventh, the burial allowance will be increased from \$1,000 to \$1,200 for deaths occurring on or after July 1, 1981.

Twelfth, the initial lump sum payment to a dependent spouse will also be increased from \$1,000 to \$1,200 on the same basis.

Thirteenth, clothing allowances will be increased from \$240 per annum to \$290 per annum with respect to lower limb prostheses and back braces for permanent disability and from \$120 to \$145 with respect to upper limb prostheses.

The cost of the changes recommended are substantial. They have a total capitalized value of \$220 million for existing pensions and \$115 million in respect of future awards to existing claims. However, because of the state of the accident fund and the current methods of setting assessment rates, the impact of these revisions on 1982 assessment rates will be modest. I therefore seek support from members for the amending act and the proposals put forward.

ANSWERS BY SPEAKER

Mr. Peterson: Mr. Speaker, before the orders of the day, I would like to rise on a point of order: Several days ago I brought to your attention what I felt was an abuse of the privileges of this House. This was the procedure whereby the government took advantage, in my judgement at least, and supported by authority, of the special warrants they used to finance the expenditures of this government. At that time you said you would look into the matter. I wanted to remind you that we are in the twilight of this sitting and I would hope there will be some sort of response on that matter from you in your capacity as chief presiding officer before the House rises.

I also call to your attention, sir, there are

several other outstanding matters brought to your attention by various members. I think specifically of my colleague for Huron-Bruce (Mr. Elston) to whom you responded that you would look into the matter and report back to the House. I want to remind you of that, Mr. Speaker, because there are not many days left in this sitting.

Mr. Speaker: It is well noted and I am quite well aware of that.

4 p.m.

ORDERS OF THE DAY

CITY OF NORTH YORK ACT

Mr. Rotenberg, in the absence of Mr. Williams, moved second reading of Bill Pr14, An Act respecting the City of North York.

Motion agreed to.

Third reading also agreed to on motion.

House in committee of the whole.

CITY OF WINDSOR ACT

Consideration of Bill Pr7, An Act respecting the City of Windsor.

Mr. Chairman: Mr. Newman moved that section 6(b)(vii) be amended by striking out subsection vii.

Motion agreed to.

Section 6, as amended, agreed to.

Bill Pr7, as amended, reported.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Consideration of Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975.

Section 1 agreed to.

On section 2:

Mr. Epp: Mr. Chairman, as you are aware, the province currently pays unconditional grants to police forces. Although they are categorized as being unconditional, nevertheless it is conditional on them having police forces. Ten dollars currently goes to nonregionalized police forces with the exception of Ottawa-Carleton which does not have a regional police force.

All the other regions have a regionalized police force, including Metropolitan Toronto. Fifteen dollars goes to the regionalized police force. This currently is before us as an amendment to increase that amount for regionalized police forces to \$17, and to \$12 from \$10 for nonregionalized police forces.

I put it that this is inequitable because those police forces which are nonregionalized are being penalized because they did not bite the bullet and become a region a few years ago. These grants were handed out to regional police forces as an incentive to the local taxpayers to adopt a regional system. Everybody knows that in addition to the police force grants, additional grants were distributed to regions as they formally became regions—they were little bits and pieces here and there—in order for them to adopt the regional concept without too many complaints.

As everyone knows, that really did not get the support across the province it was intended to, because there has been quite a backlash against regional government, to say the least. To give some kind of credence to my remarks you only have to look at the fact that there are a lot of opposition members in this Legislature, either from the Liberal Party or from the New Democratic Party, who have been elected from regionalized areas. That is not to say there are not a lot of opposition members from other parts of the province, but I think that largely, if you will look at various areas in the province, you will find that proportionately there are more from regionalized areas than from nonregionalized areas.

The reason my amendment has been submitted is that I believe municipalities should be treated equally. As the municipal affairs critic for the Liberal Party, I have had the opportunity of looking at the figures and speaking to a lot of municipal representatives, both elected and nonelected, and they feel put out by the fact that the nonregionalized police force areas are discriminated against.

The parliamentary assistant to the minister, the member for Wilson Heights (Mr. Rotenberg), can tell you they put it someplace else, that they can get the money someplace else. This is not consistent with his remarks, because on June 12, 1981, he said: "Review does not necessarily mean that everything goes up. Of course, I would love to come in here and give not \$17, but \$25 or \$30 per capita to every municipality. I would love to give higher unconditional grants. I would love to give more money to the municipalities. I wish we were in the position of the province of Alberta with its fund. That province can totally subsidize municipalities."

He gives the impression that he would love to equalize things if he had the money. He says that in his words. Then he goes on in other parts of his speech to say they are being equalized, that

they just are not called unconditional police grants. He cannot have it both ways; they are equalized or they are not equalized. The member for Wilson Heights should know this. As a result of this, Mr. Chairman, and I know you are paying very close attention to this—

Mr. Chairman: Mr. Epp, now that you bring that to my attention I will tell you the difficulty I am having, and I am paying close attention. The difficulty I am having is that according to the standing orders, section 15, this amendment is out of order, and I am going to have to so rule.

Mr. Epp: How can it be out of order if I have not placed it yet?

Mr. Chairman: I am sorry. Carry right along.

Mr. Epp: Thank you, Mr. Chairman, and I want to thank the member for Wilson Heights. Actually he is my supporter over there. Anyway, thank you.

Mr. Rotenberg: I am just waiting for you to place the amendment.

Mr. Epp: Well, give me time—you are always interrupting. How can I place it if you are interrupting me?

Mr. Rotenberg: I have not interrupted you yet; this is the first time. I am waiting anxiously.

Mr. Epp: Anyway, Mr. Chairman, I know you are in accord with what I say, because as a very nonpartisan chairman you would want to have the municipalities of this province treated equally. Quite obviously, there it is: The government, clearly and distinctly, in front of the seven or eight million people of this province, says, "Lookit, regionalized areas get \$17 and nonregionalized areas—areas that do not have regionalized police forces—get \$12."

4:10 p.m.

No matter what the member for Wilson Heights says the discrimination is there. It is there in black and white unless you have a paper that is green or whatever colour it is.

I put it to you that the discrimination is there and I therefore want to put my amendment.

Mr. Chairman: Mr. Epp moves that paragraph 4 of section 3 of the act as set out in section 2 of the bill be amended by striking out \$12 in the first line and inserting in lieu thereof, \$17.

Mr. Rotenberg: Point of order: I would submit that amendment is not in order. I think it is well known to the member that only the government or a minister can bring forth a motion to spend money.

Mr. Chairman: Funny you should mention that, Mr. Epp.

Mr. Epp: Speaking to the point of order: I was trying to give the member for Wilson Heights, on behalf of the ministry and the government—and he is such an eloquent speaker on their behalf—an opportunity to correct an oversight. Obviously they would not want the people of Ontario to see how clearly they are discriminating against all those municipalities that have nonregionalized police forces.

Mr. Rotenberg: Mr. Chairman, this is a point of order and I would like you to rule on it. Or I would like the member for Waterloo North to speak to the point of order, but he is speaking to his motion and not to the point of order.

Mr. Chairman: Mr. Epp embarrassed me because I thought he had already placed the amendment, so I will allow him the opportunity of a little kick at the can for a minute more. Mr. Epp.

Mr. Epp: Speaking to the point of order: I am trying to give the government an opportunity to correct what I am sure is an oversight. Surely to goodness the realities of March 19 would tell you they got 70 seats, they are trying to serve the people of Ontario really well, but here we see a clear oversight in legislation. They are not taking the shovel by the handle and trying to straighten out this very iniquitous situation.

Since they have the opportunity to spend that money and since they have given \$150 million to paper mills in northern Ontario, surely to goodness they would have a few of those dollars to give to municipalities.

If you look at the situation you will see the city of London is being deprived of \$1,309,000 on the basis of this iniquitous situation. The city of Windsor—and my colleague from Windsor-Walkerville is here—is going to lose \$987,000.

Mr. Chairman: Speak to the point of order though.

Mr. Epp: The city of Sarnia is going to lose \$259,000. Where is the member for Sarnia? I am sorry my friend and former mayoralty colleague is not here.

Mr. Chairman: Mr. Epp, surely you would not want me to have to bang the gavel on the table?

Mr. Epp: The city of Thunder Bay is going to lose over \$500,000; the city of Kingston \$550,000—

Mr. Chairman: Mr. Epp, here we come, the little gavel on the table.

Mr. Epp: It is a pitiful situation.

Mr. Chairman: Order. Thank you very much. Speaking on the point of order, Ms. Bryden.

Ms. Bryden: Mr. Chairman, my colleagues in the second reading debate indicated to the minister that we also felt an amendment of this sort should come in. While we understand only the government can bring in this kind of an amendment, I would have thought that with the great demand from this side of the House there would have been an amendment from the government because it certainly is a most inequitable situation where a \$5 differential is retained.

It has been retained long after the regions have been organized. I think the \$5 differential was intended as an incentive grant for the regions, but now we are at the stage where they are all organized and where there should be parity at least. There should also be a general increase in the percentage of the grants for the total police cost because they certainly have gone up greatly.

I would have liked to have seen an amendment from the minister and that is why, on the point of order, we regret that you have to rule it out of order.

Mr. Newman: I would like to speak on the point of order and say there should be some compromise between the two positions. Between the \$17 for the regional governments and the \$12 for the other areas, he is forgetting areas that border the United States. I think we have to look at them through different eyes, because they have problems none of the other municipalities have. These are problems imported from another jurisdiction. Some consideration should be given to assisting them in this grant. If the minister does not do it this year, I hope he will consider it for next year, and not only consider it but actually implement it.

Mr. Chairman: Thank you, Mr. Newman. I am having difficulty. We are trying to speak to the point of order and I suppose we should have been speaking to the section. However, we have gotten a little off-track. Mr. Foulds?

Mr. Foulds: I will wait.

Mr. Chairman: Mr. Foulds, are you going to speak to the point of order?

Mr. Foulds: No.

Mr. Chairman: You are not? Thank you. We are trying to be most accommodating as we are starting off with this bill. We are going to have to rule—I am sorry Mr. Epp—your motion is out of order. Section 2 carried?

Mr. Foulds: Can we speak to the section?

Mr. Chairman: Yes, speaking to section 2.

Mr. Foulds: It is regrettable that the parliamentary assistant found it necessary to hide behind a point of order in order to defeat a substantive matter. The substantive matter is that the grants simply are not large enough, particularly for the single-tier municipalities such as Windsor and Thunder Bay.

We have talked about this many times in this House. It is ironic that we know, for example, that the regional municipality of Durham has actual policing costs that are less than the actual per capita policing costs, by \$7, of a municipality such as Thunder Bay, yet it receives in grants \$5 per capita more. That is just nuts.

Mr. Hodgson: It costs them \$6 more for their licence plates.

Mr. Foulds: I will trade you your gas prices any day, buster, for our licence plate prices. If you want to move north and pay the cost of gasoline and home-heating oil, you do that any time. You are welcome to the \$10 licence plate. What has that got to do with—

Interjection.

Mr. Chairman: Please, Mr. Hodgson, Mr. Foulds has the floor.

Mr. Foulds: What has that objection got to do with the substance of the clause?

Mr. Chairman: I was wondering that myself.

Mr. Foulds: I apologize to the chair for being deflected by this other tax bill, which I believe was passed last night.

All I want to do is make a very simple point that the grants, as outlined in section 2, are unjustifiable, unjustified and discriminatory against one-tier municipalities. The actual figures show that many regional municipalities, such as Durham, have a lower policing cost per capita than do single-tier municipalities, such as Thunder Bay, and yet they get a higher grant from the provincial government. If that is not favouritism towards regional government I do not know what is.

Ms. Bryden: Speaking to the section and confirming some of the points my colleague from Port Arthur (Mr. Foulds) made, I have some figures that show that in 1980 the regions paid \$55.47 per capita for policing and nine cities, including most of the major ones, paid \$59.33—in other words, about \$4 more. Yet under this bill the government is proposing they should get \$5 less per capita. That just does not seem right.

Policing costs range from a high of \$94.52 in Kenora to a low of about \$24 in Alexandria. But

I think, for most municipalities, these grants amount to less than a quarter of their costs per capita. It is time the government, if it is really interested in the maintenance of our law and order departments, increased its share.

This is one of the things we would like to see an amendment on from the government side, in order to do more than just bring in an increase every time there is an election, an increase that does not even keep up with the cost of living, much less with the cost of policing. I think there also should be an indexing system as part of the police grant proposal. Unfortunately, it is difficult for us on this side to make those changes so we simply are asking the parliamentary assistant to bring in those changes before this bill is completed.

4:20 p.m.

Mr. Bradley: Speaking to section 2, Mr. Chairman, it is obvious the reason we see this differential is that there is an effort on the part of the government to make regional government more acceptable to the people in those areas where it has been imposed. The reason the regions can justify having a larger grant, I suppose, is that their other costs are so great because of the imposition of regional government—the costs imposed on major municipalities, particularly within regions, are so high that they make up for this by providing some additional funds in relation to police.

Another way the need for these additional funds can be overcome, a manner in which it could be spread out on a more equitable basis, would be if the OPP would be left in position to police certain areas of the province.

I bring to your attention the regional municipality of Niagara where the OPP formerly policed the rural areas. Everybody seemed to be happy with the job the OPP was doing, the costs were kept to a minimum. But then someone decided the regional municipality of Niagara police must have jurisdiction within the regional municipality of Niagara boundaries, so we had a new hierarchy set up in the area, several additional officers were hired by the local police force and the OPP was chased out to the highways to deal with other matters.

This is a way those who do not live in regions could perhaps receive more money—that is if there were less costs to the region by the OPP maintaining its jurisdiction in the rural areas within a region and doing the fine job they did in the past.

Mr. J. A. Reed: Mr. Chairman, I will be very

brief and say that I endorse the words of my colleague, the member for St. Catharines (Mr. Bradley). The situation is quite obvious. The extra moneys being allocated under the regional system are made available simply to sweeten the pot and make regional government less objectionable than it is.

We see a rather horrendous situation which has arisen in my riding, the regional municipality of Halton, where we have actually had deficits for the last few years. Under the legislation the region is not allowed to have a deficit, and yet they have had. One can only express concern that this kind of favouritism towards regional government really is not even accomplishing what it set out to do.

In my riding as well, the Ontario Provincial Police served the rural areas, apparently to the satisfaction of the residents. How the costs compare with the costs today I am not sufficiently expert to comment on, but certainly the decision to create another hierarchy was a decision, in my view, made in haste.

I endorse the comments of the member for St. Catharines wholeheartedly.

Mr. Rotenberg: Mr. Chairman, I think it will come as no surprise to members opposite that I will not be bringing an amendment to increase the unconditional grants at this time. We are really debating a motion that is out of order, but also we are debating the clause in the bill.

Speaking in support of the clause, Mr. Chairman, I would reiterate just a couple of facts which I did outline somewhat in my second reading speech.

First, you cannot compare regions with cities. Taking cities such as Ottawa or Windsor, which have been mentioned, you have to consider the total cost of policing in the region if you compare it to, say, the regions of Halton or Niagara. You have to compare the total cost, not city to region, but region to region.

In the region of Ottawa-Carleton, which has its separate police forces plus the Ontario Provincial Police covering some of the rural areas, the total amount of provincial money going to that area, by a funny coincidence, is \$17 per capita, the same as the regions get.

In the Windsor area—not the city of Windsor—the total grant of provincial money is \$16 per capita. So we cannot compare cities to regions.

I do not have the figures for London, but one would have to take London plus the Middlesex area, which has far more money going to it.

More important, Mr. Chairman, this is an

unconditional grants act, and police grants are part of unconditional grants. It is not a conditional grant like welfare; it is an unconditional grant. If one takes the total amount of unconditional grants from this province to the regions and cities one comes up with some interesting numbers. For the regions in the province, on an average, the total amount of unconditional grants expressed as a percentage of the total levy is 14 per cent. The total amount of unconditional grants to the cities in southern Ontario as expressed as a percentage of the total levy is 20 per cent.

I would point out to the member for Port Arthur (Mr. Foulds) that the total amount of unconditional grants—because the north does get something special—expressed as a percentage of the total levy to the cities of northern Ontario is some 42 per cent.

So some of these cities get less in police grants—because they are earmarked as police grants, for whatever historical reasons, to show that the province does want to support police—but as part of the total unconditional grant system northern Ontario does better and the cities do better than the regions.

Section 2 agreed to.

On section 3:

Mr. Epp: Mr. Chairman, my argument is the same with respect to section 3. I will not go into that argument again and take up the time of the House.

It is quite obvious that the parliamentary assistant to the minister has his blinkers on today and is not listening to reason. He is only looking in one direction. Quite obviously he is not interested in giving the kind of equality to nonregionalized areas that we in the opposition are.

No matter what he says with respect to the way the grants are going out, whether or not they are called unconditional grants they are still used for police purposes, and that is the way regional and nonregional municipalities enter them in their books. They do not say they are for fire fighting or anything else. The government calls them unconditional grants, but they are police grants.

I want to put in my amendment to section 3. I move that clause (d) of section 4 of the act, as set out in section 3 of the bill, be amended by striking out “\$12” in the first line and inserting “in lieu thereof, \$17.”

Mr. Rotenberg: I submit that this is out of order.

Mr. Chairman: On re-evaluation of my previous decision, I rule that amendment is also out of order, Mr. Epp.

Sections 3 to 6, inclusive, agreed to.

On section 7:

Ms. Bryden: Mr. Chairman, I would like to move that section 9(1) of the act, as set out in section 7 of the bill, be amended by striking out the words "in the manner and subject to such limits as may be prescribed" in the sixth and seventh lines. This is slightly different from the wording I had given notice of, but it is the same principle.

4:30 p.m.

In effect, this amendment would remove the power of the government to put a cap on the resource equalization grants. They would be calculated according to the formula set forth in section 9(1) but there would be no power for the government to say after it is calculated: "We are only going to give you so much money. We are going to limit the amount you get and reduce the amount to which you are entitled by a formula," which they can prescribe. At the present time, the formula is that the resource equalization grant cannot be more than 25 per cent of their total tax levy.

What the present situation results in is that the poorer municipalities, since they do not get their full resource equalization grant, have to resort to additional taxation. But the whole point of resource equalization grants is to produce equity between municipalities with different abilities to raise money.

When we have a system that is supposed to produce equity and then we say, "I am sorry, but we do not have enough money to produce complete equity so we will cut you off at a certain level," we are doing the opposite of producing equity and are penalizing the poorer municipalities.

My colleague the member for Welland-Thorold (Mr. Swart) spoke about this situation on second reading and made the point strongly. He certainly said we should not add the burden of additional municipal taxation to low-income earners in the municipalities with low resources. We should remove that power to reduce the amount of the resource equalization grants.

I understand last year about 219 out of the 800 or more municipalities did suffer from this cap on the resource equalization grant. The village of Paisley sent us a resolution protesting the effects of the cap on them and on those 219 municipalities. It seems to me the government is

really just saving money by putting on a cap of this sort. It should be stopped.

Mr. Epp: Mr. Chairman, I would like some clarification on this because if one is going to have the amendment, it should continue a little further than the way it is now. Maybe the member for Beaches-Woodbine (Ms. Bryden) has the correct wording, but I would have thought it should have continued "on the proportion that 60 per cent of such deficiency of equalized," and so forth. I would like some clarification on that. If she wants a proper amendment, I would have thought she would have extended that to the rest of the paragraph.

Ms. Bryden: Mr. Chairman, it is my understanding section 9(1) of the act will read, with my amendment, that "there shall be paid a resource equalization grant in respect of each lower-tier municipality whose equalized assessment per capita in the preceding year, as is determined in the prescribed manner, is below such standard equalized assessment per capita, on the proportion that 60 per cent of such deficiency of equalized assessment per capita bears to the prescribed standard equalized assessment per capita as applied to the net levy of the lower-tier municipality."

That is the way the resource equalization grant is calculated. But we are taking out the power for the minister to pay less by setting a limit on it.

Mr. Epp: Mr. Chairman, I do not have any difficulty with supporting an amendment of that nature if it is going to take the ceiling off it. I had little time to study it and look at the implications of it, to be honest, because I just received this a short time ago. On the basis of that, and if that amendment clearly addresses what the member for Beaches-Woodbine has indicated it should address, then I would think that in taking off that ceiling the municipalities would be treated more fairly than they are now being treated.

Mr. Rotenberg: Mr. Chairman, I would not support the amendment, which I do not think will come as any surprise to the members opposite. There are a number of ways of defining equity. The bill before us and the proposed regulations that will come out as a result of this legislation have been discussed with the Association of Municipalities of Ontario and its various finance committees.

The member for Beaches-Woodbine wants to make an adjustment in the formula that has been agreed upon between the municipalities and the government. There are a number of

other adjustments in the formula to produce equity. I think it is fair to say that the raw resource equalization grants really do not give equity. The member from Windsor will indicate that, using resource equalization grant figures, if the minister did not have the power to make caps and formulas and so on, Windsor would be far worse off than it is now. Because of the minister's ability to make certain adjustments, last year Windsor did receive a certain extra grant of some \$2 million.

The converse of not allowing a cap is not having what we have in a later section of this act, to allow what we call protection to municipalities. We are saying that the grant can only go up by so much over last year, but we were also saying in this bill that with this year's formula, no municipalities will get less resource equalization grants than last year. So we are putting on a floor as well as a cap and saying municipalities will not get less than last year. Looking at Windsor particularly, if we did not have that protection in, Windsor would be far worse off than it is at this time.

The feeling we have, which seems to be shared by the municipalities, is that, in getting to equity, a term which is not an absolute, we should be moving with some gradualism. In other words, those who are "winners," who will be getting more than the formula, should only get so much more each year. Those who are "losers" by this formula, of which there are many, should not get less than last year. If we did it the other way and did not put a cap on, but also did not have protection and said those who by the formula, and by what some people may call equity, get a lot less money and therefore have to levy more taxes, I think we would hear far more outrage from the members opposite.

By allowing the amount of grant to rise—last year it was allowed to rise at \$10 per capita and this year it is \$7 per capita for those who require the grant, and a maximum of 25 per cent of the levy—we think this is equitable, especially in the light of the fact it is a gradual process towards even greater equity within the province and within the municipalities. The other side of the coin to the cap is the fact that we are putting a floor for municipalities getting fewer grants by this year's formula than last year—not giving them less but giving them protection. For these reasons, I would not support the amendment.

Mr. Cooke: I would like to point out to the parliamentary assistant, Mr. Chairman, when he talks about the problems we have had in Windsor because of the resource equalization

grants, I am sure he is also aware we are getting about one twelfth of the resource equalization grant this year we should get, because of the new formula he brought in providing for a floor whereby nobody is going to get any less than they got last year. If we imposed this year's formula last year, Windsor would have got \$8.3 million, but under the new formula this year we get \$1.2 million and then we get some ad hoc grants to bring it up to \$4 million. Over the years we have lost something like \$50 million in resource equalization grants. So the people over there should be the last ones to talk of any concept of equity, because they do not know what the word means.

Ms. Bryden: Mr. Chairman, in response to the parliamentary assistant's comments, there are other provisions in this bill allowing the minister to set floors, or to make ad hoc adjustments of any kind really, if he feels equity has not been achieved. I think that power would allow him to put floors on, if he feels this amendment would make it impossible to put floors on. Therefore, it seems to me the argument should centre on whether there should be a cap on the areas that would benefit more from the resource equalization grants if there had not been a cap put on them. Those are the ones we are concerned about, because it seems to me they should get the amount to which they are entitled under the formula, and there should not be a ceiling on that amount.

4:40 p.m.

Mr. Rotenberg: In response to the member for Windsor-Riverside, he is correct that had there not been a cap in 1980, Windsor would have received more in grants than it did. However, in 1981, based on the reassessment of the 1979 assessment, of which I understand the problems, if we did not have this legislation, Windsor would have received—based on the formula without the protection—less money than it got in 1980. Forgetting whether or not it got the right amount in 1980, in 1981, Windsor would be getting less money if we did not have this formula in place and if we did not have the protection and floor in place. This year Windsor is really doing better by this system than it would have, although in previous years I grant to the member that Windsor might have done better.

Mr. Chairman: Is there any further discussion?

Those in favour of the amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 7 agreed to.

Sections 8 to 11, inclusive, agreed to.

Bill 69 reported.

POWER CORPORATION AMENDMENT ACT

Consideration of Bill 86, An Act to amend the Power Corporation Act.

Mr. Andrewes: I request permission to assume the Minister of Energy's (Mr. Welch) seat.

Agreed to.

On section 1:

Mr. J. A. Reed: Mr. Chairman, I have a number of amendments I wish to submit as we go. I believe we are going section by section on this bill. All the amendments are consistent with the view of my party and myself that the energy conservation program which is proposed in this bill should not be placed in the hands of Ontario Hydro, but rather in the hands of an independent government body which will be perceived to be independent.

Each of these amendments directly relates to the placing of the conservation program in the hands of Hydro. We would very much like to see an energy conservation program with the appropriate energy auditing and the appropriate loans under the auspices of an independent government agency which would not be seen to be in conflict with itself, if you like.

Once again, because of the intensive advertising campaign that has gone on about electricity, and in anticipation of this conservation program, various other utilities are now considering themselves in competition with electric power. It is sad to observe, at a time when we are really trying to bring in energy conservation, that the other energy utilities would find it necessary to be competing with rather than complementing our electric power utility.

What we can see and what we suspect will happen with the introduction of this conservation program is that it will simply become a marketing tool for Ontario Hydro. It will be a return to the gold medallion home, or whatever we had in the late 1960s and early 1970s, something that we consciously made a move away from when we began to realize that electric power, of itself, was not the most desirable form of home heat, that there were others that were far more desirable and that we should utilize in so far as it was physically possible.

Natural gas, one of the options, is available to about 70 per cent of the population of Ontario at the present time. We can accept the use of electric power for heating where it is necessary and where there are not the options, but to put two major utilities into competition with one another at a time when we are really trying to promote conservation, in my view, is a very bad move—especially if you are going to compare the use of natural gas with electric power, because natural gas is a primary source of energy and electric power is a secondary source.

Electric power, the way we produce it in this province, in the main is produced at a very low thermal efficiency. With coal, about 33 per cent to 35 per cent of the actual BTUs that go into the process come out the other end as electricity, and even less than that gets down the line to the home owner. Using natural gas, on the other hand, which is a primary source, it is converted right in the home at 75 to 80 per cent thermal efficiency.

We are really doing nothing for conservation if we introduce a conservation program which is simply going to become a sales tool for promoting the use of electricity. If we go all through this bill, and I spoke about it on second reading, if one goes through this bill one sees quite clearly that the ultimate goal here is to use this, quote, "conservation program" as a tool to convert people to the use of electric power. I think that is unwise and I think it is very short-sighted on the part of the government of this province, and I want to go on record to that effect.

In terms of the other part of this bill, which is on the sale of the waste byproducts of thermal generators, I think it is commendable. This is one area where we are really trying to promote conservation. We are promoting conservation by raising the thermal efficiency of the total primary energy system by utilizing that waste hot water. That is positive, that is good.

The more we can do of that, the better it will be for the economics of electric power production. Ontario Hydro, we said long ago, should consider itself in the energy business rather than in the business of simply producing electricity. So the sale of heat, as a byproduct, is a very good thing.

As a matter of fact, there is far more energy produced in the form of waste heat in an electric power system than there is electricity. It is at least two to one. In the case of nuclear it is more than that. A Candu reactor is about 29 per cent thermal efficient. Given those figures, you start

realizing that for every 1,000 barrels of oil equivalent that comes out of Pickering, there are 2,000 barrels of oil equivalent being discharged into Lake Ontario at the same time in the form of waste heat. The same process happens up in Bruce. Any capture of that heat is very positive and useful.

We really wish we had two bills here instead of one bill, Mr. Chairman. Had there been two bills we could have wholeheartedly endorsed the sale of steam and hot water and so on, and at the same time perhaps persuaded the government to redirect its thoughts and put the conservation program into an agency of government.

Dealing with section 1 specifically, Mr. Chairman, I move that section 1(1)(cc) be deleted.

4:50 p.m.

Mr. Foulds: Mr. Chairman, I do not want to quibble about things, but surely a motion to delete is unnecessary, and what we simply can do is take the clauses subsection by subsection and vote aye or nay on them. As I say, I do not want to quibble about it, but it would seem to me that a motion to delete, unless it is being replaced by something, is in fact unnecessary. All we need to do is go through the bill clause by clause or subsection by subsection and vote approval or disapproval on them.

The Deputy Chairman: That would accomplish the purpose that I really think you are after. So can I suggest, then, that your motion not be accepted and that by just voting against the specific section you are thinking about, that will handle it?

Mr. J. A. Reed: Mr. Chairman, if the chair is amenable to dealing with each subsection as well as each section, in that case I cannot disagree. Just as a point of information, the only section that has a subsection we would wish to delete is section 1. We would want to oppose each of the other sections, sections 3, 6, 7, 8 and 9, in their entirety.

The Deputy Chairman: We will pose them separately and that will handle the question you have.

Mr. Foulds: Mr. Chairman, I would like to speak to section 1. I find myself in profound disagreement with the previous speaker. There is a clause in section 1 that, if we take it clause by clause, this party will be voting against, and that is section 1(2)(f). We prefer the former definition that is already in the act, because we see this clause (f) as restricting the power of Ontario Hydro. In fact, it is the clause that previously

allowed Ontario Hydro, should it desire, to get into the business and distribution of electric, pneumatic, hydraulic, mechanical, nuclear, steam, gas or other power. I would think that would be a very broad mandate which we should maintain with Ontario Hydro.

It is all very well and good for both the Tories and the Liberals to say we should restrict Ontario Hydro to the production of electricity solely, and create other crown corporations to distribute and deal with other matters, but we know in reality, after the realities of March 19, that this is not going to happen. I do not want to see Ontario Hydro restricted in this way, because I want the people of Ontario, through Ontario Hydro, to have the right to provincialization, to the ownership and distribution not only of electric power but of other power.

In this bill, by restricting the definition of power with this little clause, the government is pulling in and abdicating entirely to the private sector other modes of power ownership, production and distribution. This House and the people of Ontario will regret it if they pass this definition of power restricted only to electric power for Ontario Hydro, because we will have abdicated what has been historic in Ontario for over 80 years, and that is the right of the people of Ontario to have control and ownership of their power resources. What we are doing in this little subclause is abdicating that very important and simple principle that was advocated by that great Tory, that great Conservative at the turn of the century, Sir Adam Beck.

Mr. J. A. Reed: Mr. Chairman, if the honourable member looks at the Power Corporation Act he will see that actually the broad base remains. I think he is confining his observation to the words that are contained in this bill but—

Mr. Foulds: No, if you change the definition in here, you change the power of the act.

Mr. J. A. Reed: It means electrical power and includes electrical energy, but if you go back to the Power Commission Act, you will find there is a much broader interpretation.

Mr. Foulds: They are striking that from the bill. They are replacing the former section with that section.

Mr. J. A. Reed: No, it says, "Clause (f) of the said section 1 is repealed"—just one clause.

Mr. Andrewes: Mr. Chairman, I will just reserve comment on Mr. Foulds's remarks if I could. With respect to the new definition of power, I think I touched on this in my comments

the other day, explaining why it is necessary to insert this definition of power in the Power Corporation Act.

I mentioned that certain legal opinions within the Ministry of Energy, within Ontario Hydro and outside opinions indicated that within the body of the existing act the use of the word "power" really refers to electrical power and is not as all-encompassing as the definition would suggest. This revised definition removes the confusion and limits the meaning of power in this act to electrical power including electrical energy.

Ontario Hydro has traditionally been an electric utility. It was never intended and it is not now intended that Hydro deal in all forms of energy. As an example of this, we have a comprehensive natural gas utility system which is largely privately owned and which has been serving the province for many years.

If I can be so presumptuous as to assume the passage of this bill, I would like to tell you that Ontario Hydro's power in the field of energy will include the following: Its dominant position in electric power will remain unchanged; it will have the authority to produce and sell steam and hot water but it will not have that same dominant authority it has with electricity. Under section 59(4) of the Power Corporation Act, it will have the authority, with the approval of the Lieutenant Governor in Council, to engage in research and development of all forms of energy. It will have a major role in energy conservation. This is a broad mandate.

Nevertheless, if at any time it seems appropriate to have Hydro involved in the production and sale of another form of energy, this government is prepared to propose to the House the necessary amendments as we have done in this case. We would feel any amendment here would be unnecessary and would be unacceptable.

Mr. Foulds: Mr. Chairman, the parliamentary assistant has confirmed my worst fears. What he has said is that other interests—and I suspect by that, Mr. Darcy McKeough, who is in the gas business today—have had a very large influence on the government in defining the powers of Ontario Hydro in this bill. I do not care what the intent of the parliamentary assistant as recorded in Hansard is, or what the words are; the power of the corporation, which is Ontario Hydro, is the power that is defined in the piece of legislation.

If, in that piece of legislation, you restrict the definition of power, which is what you are doing, it is a more restrictive definition than the

corporation has had since the Power Corporation Act came into being and, I believe, for years before that. If you restrict that, then you are restricting the power of the corporation. You will, as the parliamentary assistant says, need to come into this Legislature to expand its power.

The Conservative government is socializing the costs of energy. In another section it says that Ontario Hydro will be able to engage in research not only in electrical energy but in other energy, such as gas, oil, coal, what have you, but it will not be able to profit by that. You have put the profitable part into the private sector—gas, very profitable these days—and you have put the onus on the Ontario Ministry of Energy and on Ontario Hydro, a crown corporation and therefore on the people of Ontario, for the research. You have said, "The public will pick up the cost of research, but we will divest the corporation of the profitable area and give it to the private sector."

I suggest to the parliamentary assistant that the natural gas distribution system in Ontario is not comprehensive. It is not nearly as comprehensive as the electrical distribution system. There are many areas in municipalities where natural gas distribution does not occur. There are vast areas in the riding of Lake Nipigon, about which my colleague the member for Lake Nipigon (Mr. Stokes) could speak more movingly than I, where there is no natural gas distribution.

Mr. Stokes: A lot of them do not even have hydro.

Mr. Foulds: And many of them do not have hydro, but hydro is more expensive than natural gas. I say to you, it is not adequate for the parliamentary assistant to come in here and say, "We have a private natural gas distribution system that serves the province." It only serves part of the province, and it is not as complete as the distribution of Ontario Hydro, and the distribution of Ontario Hydro is inadequate. There are, for example, parts of my riding, eight miles outside the city of Thunder Bay—quite a large municipality—that are not electrified. I submit to you that we should not approve section 1(2)(f) and we will certainly be voting against that clause.

Mr. J. A. Reed: Mr. Chairman, if there is a restriction contained in this new definition that the NDP critic and the parliamentary assistant both feel, then I support it and welcome it to whatever extent it does restrict. However, I

should point out that the field is still very wide open in terms of the utilization of all forms of energy. I know we are dealing with section 1, but in other sections of this bill the statements are very clear. Section 3(3) of the bill says "inspection services in respect of the use of all forms of energy and may include, but is not limited to. . ." Who is kidding whom?

When you get right down to the actual practical application of these things, Ontario Hydro has an incredibly broad mandate, broader than some of us would wish. Whatever limitation is imposed by this amendment to take the enabling power of exclusivity away from Hydro in terms of other forms of energy, I would welcome. As a matter of fact it would probably be appropriate—

Mr. Foulds: That is the right wing of the Liberal Party.

Mr. J. A. Reed: I know my Socialist friends want to have a medium—

Mr. Breagh: Don't call us your friends.

Mr. J. A. Reed: My Socialist enemies—

Mr. Breagh: That's better.

Mr. J. A. Reed: —want to have a medium to nationalize everything. They see Ontario Hydro as the medium by which the great Big Brother government can impose itself on everything and anything that lives, moves or breathes in this province. Let me tell you, Mr. Chairman, that it is certainly not the view of myself or my party.

Mr. MacDonald: Mr. Chairman, I do not want to prolong this debate. I do not even want to get into an extensive reply to that childish political rhetoric about us wanting to nationalize everything. You are really bankrupt when you have to indulge in that sort of stuff. I want to come back to the point. I do not object to Ontario Hydro having the broadest kind of mandate. I will make one qualification to that in a moment and concede a point in deference to my friend. I am concerned about the way this government has, in my view, imposed an undesirable limitation on its mandate and indeed an undesirable limitation in Hydro's terms.

For example—and this may appear to be a digression, but it is very short and it illustrates the point—when we got into the whole uranium contract business, Ontario Hydro needed uranium as a source of power and, as in any industry, sought to guarantee its source of supply, as any red-blooded, hairy-chested free enterpriser would be guaranteeing his source of supply—in fact, would be leading the pack, for the next 30 or 40 years for our nuclear component and generating system.

Hydro wanted to buy the Preston mines. Why the devil should you buy your uranium and have a contract in which there is an add-on in terms of profits? If you are going to get all the ore out of the mine, why don't you buy the mine and put in your managers? Who killed that? I will tell you who killed it: Darcy McKeough. The Ontario Hydro board wanted it and Darcy McKeough killed it. So there is a reprivatization process going on.

Let me give you another example of what is on the horizon. We have this potential development out of which can come 1,000 megawatts of power from Onakawana in the north. Every time I hear them talking about it now, they do not know what the options are; perhaps that some private company is going to develop it for producing electricity, for liquification or something of that nature. That should be part of the overall system of Hydro and it should not be peeled off.

Darcy McKeough tried to get them to privatize the whole heavy water deal, but he could not get anybody because they want guaranteed profits from the word "go." No private entrepreneur would take it. Ontario Hydro had to develop the heavy water system as part of its system. The government should have been consistent and let them get their uranium supplies assured by buying the Preston mines.

This is the kind of process that is going on, and I think it should be halted. To put it another way, I do not want to restrict the mandate of Ontario Hydro in the development of energy. I have a theoretical appreciation of the view that if you have a separate, idealistic, independent company to develop all these new sources, as a theoretical, academic concept it has a measure of validity; if you do it within Hydro with its traditional approach, you have to work with Hydro to get it changed. However, the job of getting Hydro to change its approach will be infinitely easier than the job of building the whole infrastructure and the capacity of a new agency to do the job that has to be done. If this Legislature passes a law and the government has the guts to implement it in terms of an altered mandate for Hydro, it can be done and it can be done quickly. It has a massive infrastructure with which to do it.

Let me pause to show I am not mindlessly in favour of total reprivatization. My friend over here is the champion of small hydraulic power development. He has said—and I think with a measure of validity—that there are small hydraulic developments of less than one megawatt, or

one megawatt or two megawatts or something of that nature. Instead of cutting private enterprise off from developing those, Hydro could and should develop them. I think Hydro is in the process of clarifying that it is not interested in anything below two megawatts. Indeed, on some occasions, developments of three, four or five megawatts have been conceded to private enterprise if they did not happen to fit into its system. On some other occasions, if a development is less than one or two megawatts but happens to feed into its system, Hydro may want it.

So it is a rule of thumb that if it is less than about two megawatts, private enterprise can get in. I do not object to that. That gives an opportunity for people to meet their own needs or contribute to a neighbouring municipality in the fashion that Orillia has done, for example, in its private power development.

5:10 p.m.

There are areas that should be reprivatized legitimately, but the broad mandate of Hydro should not be eroded. This government denied it that broad mandate in the uranium mines in Preston, as the government may be going to deny it now and hand it over to a private enterpriser with the Onakawana development. We should develop an integrated and more broadly mandated Hydro to get into these other energy concepts.

If my friend from the Liberal Party is really intent on achieving the goals he pays lip service to—that is, bringing these alternative sources in as quickly as possible—this is the way to do it, not by pursuing that Holy Grail of small private enterprise in every direction.

Mr. Stokes: Mr. Chairman, I had not intended to speak to this bill, but the member for Halton-Burlington (Mr. J. A. Reed) provoked me. I suggest to him that if we had to rely on small entrepreneurs even for the micro or mini-hydraulic stations that he speaks of, we would never have anything in the far north of the province.

I say somewhat facetiously to the parliamentary assistant that if Ontario Hydro's aim and objective is to get into conservation it need only follow the present policy, which is that, effective July 1 of this year, up in those parts of northern Ontario where there is no road access—that is, where access to those communities is by fly-in air service only—the cost of energy is going to 40.1 cents per kilowatt hour.

I do not know what the parliamentary assis-

tant pays wherever he happens to live in Ontario, but I would guess that the price I have quoted is at least 400 per cent higher than in any other place in Ontario.

Even in areas that are not tied in to the provincial grid—I have many of them in the north, and I am sure that if my colleagues the members for Cochrane North (Mr. Piché) or Kenora (Mr. Bernier) were here they could tell us that there are many places, even where there is road access, where they are not tied in to the provincial grid—the rate, effective July 1 this year, is going up to 29.1 cents per kilowatt hour.

In some of the other communities, where they have to rely on the diesel generation of power, the cost for a restricted service—that is, a 20-amp service for the first 200 kilowatt hours of power—is going up to 9.25 cents per kilowatt hour, and anything over that amount goes either to the 29.1-cent rate where there is road access—that is, where they can run the diesel in on wheels—or to 40.1 cents per kilowatt hour in any place where they have to fly in the wherewithal to generate diesel power.

So if one wants to find out how to conserve he should just follow what the government is doing to the poor people in the northern part of the province and he will drive them out of the market. They will be back to the old kerosene lamps and the old wax tapers and candles. If that is what the government wants to do, that is one way to conserve. I say that facetiously, Mr. Chairman, through you to the parliamentary assistant.

The member for Halton-Burlington gets up and says private enterprise can do it better. If he knows anybody who will go north of the fiftieth parallel in this province of opportunity and develop wind energy, methanol or any of the other alternatives to the use of fossil fuels, if he can get anybody to go into those northern sites and develop the hydraulic energy indigenous to those communities not tied into the provincial grid, I am open to all suggestions.

If he doubts for one moment the veracity of the figures I have put before this House, I invite him—not this weekend because he will be busy—to come up with me next weekend and join with me in speaking out on behalf of all those first citizens who live north of the fiftieth parallel who do not have any electric energy at all. Where they are fortunate enough to have it, they are going to pay 40.1 cents per kilowatt hour. If you can solve that dilemma for me, for Hydro and for the people I represent, the floor is yours.

Mr. J. A. Reed: The first thing I would like to do, Mr. Chairman, is accept publicly the challenge of the member for Lake Nipigon. Second, I would remind him that the reason the rates are so abominable where electric power is available, the reason diesel generators are where they are and the reason small hydraulic power has not been developed where it should be in northern Ontario is because of the exclusivity of the mandate of Ontario Hydro. It is because under the law the small independent producers of electric power are not allowed to sell kilowatt hours to private consumers. That is right in the legislation. Ontario Hydro does not allow—

Mr. Stokes: Boise Cascade does it in Fort Frances.

Mr. J. A. Reed: Only by special permission or historic occupation. With respect, I say to the member for Lake Nipigon, I have spent the last five years in this Legislature and behind the scenes attempting to free up that exclusivity so a private entrepreneur could go in and compete in areas where Ontario Hydro was not interested in competing and where it did not want to go in and compete.

At the present time there is no legislative facility for the independents to go in. Therefore, if there is a small community where there is a need and a potential at the present time, it is either up to Ontario Hydro to provide and develop that service or it cannot be done. This is the problem.

As an entrepreneur, I am allowed to generate electric power for myself or if I have an industry or business, but I cannot generate that power and offer to sell it to you. It is illegal.

Mr. Stokes: Boise Cascade is selling it to Fort Frances.

5:20 p.m.

Mr. J. A. Reed: Only by historic occupation, and that exists in few other situations in Ontario. I challenge the member for Nipigon to establish a new one at the present time. This is what this battle has been all about. Ontario Hydro has said repeatedly, "Yes, you may sell the power but only to us." Ontario Hydro has said, "We will buy the power from you." They have set up a scale of rates for the purchase of that power; in many cases it is so low as not to be economically feasible for some kinds of installations.

I have said to Ontario Hydro, and I say this to the member for Lake Nipigon, if an entrepreneur were allowed to go in on a free competitive basis where you have power being sold at some

astronomical, impossible kind of rate, and compete and offer a competitive situation you could just watch the rates fall.

I would admonish the member to look at it. I will personally come to his riding and look at all of those individual situations because I know that there are things that can and must be done.

Mr. Deputy Chairman: Will the member confine his remarks to section 1?

Mr. J. A. Reed: It relates, Mr. Chairman, directly to this business of the word "power" under section 1(2)(f).

Hon. Mr. Davis: Julian, you are wrong; you are totally wrong.

Mr. J. A. Reed: Is the Premier saying that the member for Halton-Burlington is wrong on this subject?

Hon. Mr. Davis: Yes.

Mr. J. A. Reed: Did I hear him say I was wrong? I would challenge the Premier to tell me in what areas I am wrong.

Hon. Mr. Davis: I have not got two weeks.

Mr. J. A. Reed: Listen, I am prepared to give it to the Premier. We will continue the debate on this thing.

Mr. Deputy Chairman: Order.

Hon. Mr. Davis: The only time you were probably right was on the school in Norval.

Mr. J. A. Reed: The Premier lost a riding over that one. The ghost of Norval school will come back to haunt him again, too.

So, Mr. Chairman, I would suggest that it is because of this exclusivity of mandate and the selfishness, the dog in the manger attitude that Ontario Hydro has taken towards the sale of electric power by private entrepreneurs, that this has been absolutely held up. So there is little wonder why somebody—

Mr. Stokes: All I can say is what must be done has to be done by Ontario Hydro.

Mr. J. A. Reed: I am saying to the honourable member, through you, Mr. Chairman, that if private enterprise is allowed the same freedom of operation that Ontario Hydro is allowed it will go in and compete; it will compete with a vengeance.

Interjection.

Mr. J. A. Reed: The honourable member said he was provoked to make these comments. I was provoked to respond because I know of the potential and I know of the restrictions that are placed on the private developer under the present legislation. It is very difficult now. We

are going to continue to fight to open that up so we can go in. Hydro can then be interested or not interested, but private enterprise can go in and compete successfully with it.

Mr. Andrewes: Not wishing to prolong this rather interesting but somewhat partisan discussion, I really want to assure the member for York South (Mr. MacDonald), the member for Port Arthur (Mr. Foulds) and the member for Lake Nipigon (Mr. Stokes) that we have had rather strenuous legal opinion on this. The reference in the old definition in the act to hydraulic, to nuclear, to steam and to gas, really refers to the primary energy forms that are used to generate electrical power. I have to repeat, Mr. Chairman, that there is no change in the powers provided by the current definition as a result of this bill. It is only a clarification of that definition.

Mr. Foulds: We disagree with that.

Mr. Andrewes: Philosophically, no doubt.

Mr. Chairman: Shall section 1(1)(cc) stand as part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 1(1)(cc) agreed to.

Mr. Chairman: Shall section 1(1)(cd) stand as part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 1(1)(cd) agreed to.

Mr. Chairman: Shall section 1(2) stand as part of the bill?

Section stacked.

Section 2 agreed to.

On section 3:

Mr. J. A. Reed: Mr. Chairman, for the same reasons outlined earlier in opposition to section 1(1)(cc), we will oppose this section. It has to do once again with the energy conservation program being empowered to Hydro rather than to a division of the Ministry of Energy or some other body. Therefore, it is consistent that we oppose it.

Mr. Foulds: Mr. Chairman, we are generally in favour of section 3. However, we would like the opportunity to vote against section 3 as it relates to section 58b(3). I can submit an amendment that that be deleted, if that is the easiest way, or we can take it from the bottom clause by clause. It is entirely up to you, and I submit to your better judgement.

Mr. Chairman: Is there any discussion on clauses prior to that on which Mr. Foulds would like to move an amendment?

Mr. Andrewes: Mr. Chairman, could I please make one brief comment? I will respond to the remarks of the member for Halton-Burlington (Mr. J. A. Reed) but, since his amendments are consistent all the way through and he has several, I will reserve time later for response.

Mr. Chairman: In my learned experience, I always find it useful to have the discussion on each section as we carry on. We are going to vote on it. Mr. Andrewes, you indicated that you do have some discussion on section 3?

Mr. Andrewes: I will reserve it to section 9.

Mr. Chairman: Maybe you will work it in to section 9, but we will not be talking about section 3 in section 9—

Mr. Andrewes: No, they will be general comments referring to—

Mr. Chairman: As long as you are clear on that, because I know I will be awfully upset if you start talking about section 3 in section 9. We have no further discussion or amendments outside of what Mr. Foulds referred to—section 58b(3) in section 3?

5:30 p.m.

Mr. Foulds: Mr. Chairman, I believe that subsection should not be in the act, because I believe Ontario Hydro is the only body we now have available to us in Ontario which can engage in energy conservation programs for space heating.

I believe if a consumer wishes to get an evaluation by Ontario Hydro and to convert his or her space heating from oil to natural gas, or to propane, or to a combination of wood and some other form, it should not be a requirement that part of the space heating be electrical space heating for that to be available to the consumer in Ontario.

Electrical space heating is the most expensive form of space heating. It is the most expensive form in raw terms. It is the most expensive form in net terms. It is the most expensive form in financial terms and it is the most expensive form in energy production terms in simple terms of physics. Electricity is a very good source of power for many things such as moving motors and lighting your home, but it is a very poor source of energy for heat and therefore I do not think that should be a requirement.

Mr. Chairman: Thank you, Mr. Foulds.

Mr. Foulds: That is the last discussion I have for the whole bill, Mr. Chairman.

Mr. J. A. Reed: I expect it is in order for me to comment on this proposed new subsection of the act even though we are opposing the whole section of the bill.

This particular subsection is the giveaway in these amendments. This is the one that simply declares what this so-called conservation program is all about. It declares that it is either electric or nothing. I regret that my friends in the NDP did not see—

Mr. Breagh: Stop calling us your friends.

Mr. J. A. Reed: The enemies to my left; how is that? I regret very much that they do not see this as being the key clause that exposes this thing for what it is. It is a device to sell electric power, nothing more and nothing less. It is cloaked in the disguise of conservation. It says: "The corporation shall not loan money...other than one based in whole or in part on the use of electrical energy."

Mr. Foulds: That's why we want it delayed; that's why we want to strike it out. Good argument; vote with us.

Mr. J. A. Reed: Sure, but if you are going to strike that part out, then I say with respect that there are other parts of this bill which you also have to strike, such as "inspection services in respect of the use of all forms of energy." You did not move to strike that.

Mr. Foulds: Right, it should be all forms of energy. That is our argument.

Mr. J. A. Reed: All right. Mr. Chairman, with respect, if you give Hydro the mandate to inspect in regard to all forms of energy, what you do is allow them to eliminate the other forms of energy and the use of the other forms of energy. That should be as clear as a pane of glass in this thing. It says "may include, but is not limited to" in earlier parts. Now you have this key clause which says "no money unless you use electricity."

It seems to me that when you take all of those factors into consideration, that is the reason this program under the cloak, under the mantle of Hydro and under the disguise of conservation has to be opposed.

Mr. Andrewes: Moving right along, I think we have had this debate previously. I would only point out that this loan program is designed to assist a wide variety of energy conservation activities such as insulation and weatherization, and is also to assist in electrical safety work. Loans for these purposes are available regardless of the kind of heating system used or proposed to be used.

I would also draw to the honourable members' attention the use in section 58b(3) of the words "in whole or in part." This means that loans will be available to assist in converting to some of the new hybrid or dual heating systems. Examples of these would be heat pumps on a natural gas furnace, an oil and electric hybrid, and a wood and electric hybrid.

We all know that electricity as a heating source is considered to be a valid choice but certainly not the only choice. It was therefore inappropriate and unnecessary to employ Hydro funds to assist in converting to a competing energy source supplied by other corporations.

Those are my comments with respect to the comments of the honourable members opposite.

Mr. Chairman: Thank you, Mr. Andrewes. It reminded me of comments made previously in the select committee on Ontario Hydro affairs when you said that this has often been debated before.

Shall section 3 stand as part of the bill?

Section stacked.

Sections 4 and 5 agreed to.

On section 6:

Mr. Chairman: Mr. Andrewes moves that section 74a of the act as set out in section 6 of the bill be deleted and the following substituted therefor:

"74a(1) Where moneys are owing to the corporation in respect of a loan made to the owner of real property as part of an energy conservation program the corporation may register in the proper land registry office a certificate setting out,

"(a) the amount owing in respect of the loan, including the rate of interest thereon;

"(b) the name of the owner of the real property;

"(c) a description of the real property sufficient for registration; and

"(d) that the certificate be registered under this section.

"(2) Upon registration of a certificate under subsection 1 the amount owing and interest at the rate set out in the certificate are a lien and charge upon the real property.

"(3) Where a certificate has been registered under subsection 1 and the moneys owing to the corporation as set out in the certificate are not paid in accordance with the terms and conditions of the loan, the corporation may transmit to the clerk of the municipality in which the real

property is situate a statement setting out the information contained in the certificate and the registration number of the certificate.

"(4) Upon receipt of the statement the clerk of the municipality shall enter the amount in the collector's roll, and the amount shall be collected by the same procedure as municipal taxes on land. And upon collection of the amount and the interest collected thereon shall be paid over to the corporation.

"(5) The duty and power under subsection 4 to collect the amount entered in the collector's roll includes, without limiting any other power, the power to sell the real property and to collect interest and costs by the same procedure as for arrears of taxes.

5:40 p.m.

"(6) Upon payment of the moneys owing to the corporation, including interest as set out in the certificate, the corporation, upon request, shall transmit to the owner of the real property a certificate sufficient for registration showing the repayment.

"(7) The lien is discharged by the registration of the certificate of the corporation showing the repayment of the moneys owing to the corporation.

"(8) The corporation shall not terminate the supply of power to a customer for the purpose or as a means of enforcing repayment of a loan made as part of an energy conservation program."

Mr. Chairman, section 74a of the act, introduced by Bill 86, creates a lien as security for the loan to be advanced by Ontario Hydro as part of an energy conservation program. It would be an unregistered lien, however, and that fact would create difficulties for persons buying, selling or mortgaging real estate in Ontario.

The only way they could determine whether a particular property was covered by the lien would be to write to Ontario Hydro. The amendment I have proposed will preserve that lien security for Hydro loans, but will also provide that the lien takes effect only upon registration in the appropriate land registry office.

Mr. J. A. Reed: Mr. Chairman, we are opposing section 6 but, just to comment on the amendment, we think in a situation of this kind it would be vital that the actual lien be registered so that a subsequent or a potential subsequent owner of the property would be able to find out exactly what was owing on the property. I expect that is the substance of the

change you are making here. If it is broader than that, it would be interesting to have an explanation of it, but certainly the registry office is the proper place for that to be put.

Mr. Andrewes: That is the substance of the proposal. It would be clearly set out that, if the lien was registered, it would apply. If Hydro chose not to register it, then it would be up to them to collect the bill by some other means.

Mr. Chairman: Is there any further discussion? My understanding is there are no further amendments to the section.

Shall section 6, as amended, be part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 6, as amended, agreed to.

On section 7:

Mr. J. A. Reed: Our opposition to section 7 is consistent with what we have said before, Mr. Chairman.

Mr. Foulds: Our support for section 7 is consistent with what we have said before, Mr. Chairman.

Mr. Chairman: Shall section 7 stand as part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 7 agreed to.

On section 8:

Mr. J. A. Reed: For the reasons we have previously stated, we are opposing section 8.

Mr. Chairman: Shall section 8 stand as part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 8 agreed to.

On section 9:

Mr. J. A. Reed: Mr. Chairman, we are opposing section 9. Section 9 is the amending of the Public Utilities Act which is designed to complement the so-called energy conservation program, which we have identified as the electric power promotion program. It, therefore, becomes irrelevant as far as we are concerned and it would be a technical move to oppose it as well.

Mr. Foulds: Mr. Chairman, this section is totally in keeping with, and, in fact, is lifted from, the New Democratic Party Warm Up Ontario program of the 1981 election campaign. Since distribution of energy conservation programs can take place through local Hydro commissions, we are totally in support of this section, even though it does not go as far as our wide-ranging program would have done.

Mr. Andrewes: For the record, I will make some comments regarding the amendment of the member for Halton-Burlington. The provisions of Bill 86 empowering Ontario Hydro and the municipal utilities to carry out energy conservation programs are designed primarily to: one, assist Ontario residents with oil-heated homes to convert to a cheaper and more reliable energy source; and two, assist Ontario residents to weatherize and fix up their homes so they will use less energy.

The results of this program should be a saving of money by individual citizens, conservation of all forms of energy, reduced demand for petroleum and, incidentally, increased economic activity and therefore employment opportunities in the building and home repair trades. This program is clearly in the individual, provincial and national interest.

Some honourable members are worried about Ontario Hydro being involved. As many people have pointed out, Ontario's publicly owned electrical distribution system, consisting of Ontario Hydro and the municipal utilities, is uniquely placed to deliver an energy conservation program throughout the province and already has more—

Mr. Chairman: Mr. Andrewes, I am having difficulty in relating your statement to section 9.

Mr. Andrewes: It is all related to energy conservation. We are on section 8, I believe.

Mr. Chairman: We are on section 9. That is why I said before that I would be awfully upset if you try to make a wrapup statement here. That is just what you are doing.

Mr. Foulds: I think I could find for both you, Mr. Chairman, and the honourable member. We have a difficulty on the point of order. I think we can speak on the title of the act as the Power Corporation Amendment Act, and the member can make his short windup statement at that point. That is the clause that names the entire bill that we have now passed clause by clause.

Mr. Andrewes: Recognizing the kindness of the honourable member, I will conclude my

comments with one short paragraph, if I might. The residential energy advisory program—which I think is alluded to in section 9—which this bill will enact, is being designed to be a balanced and unbiased program. The energy advisers will be trained and required to give home owners a thorough analysis of the heating system and the electrical system in the home, and the capacity of buildings to retain heat. The advisers will then make recommendations based on the capital cost of the changes involved and operating costs for the resulting system, using the latest cost-trend information from the Ministry of Energy and other reputable sources.

Mr. Chairman: Shall section 9 stand as part of the bill?

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Section 9 agreed to.

Sections 10 and 11 agreed to.

6 p.m.

The committee divided on whether section 1(2)(f) shall stand as part of the bill, which was agreed to on the following vote:

Ayes 81; nays 19.

Section 1 agreed to.

The committee divided on whether section 3 shall stand as part of the bill, which was agreed to on the following vote:

Ayes 57; nays 43.

Section 3 agreed to.

Bill 86, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendments and two bills with amendments.

MILK AMENDMENT ACT

Hon. Mr. Henderson moved second reading of Bill 116, An Act to amend the Milk Act.

Motion agreed to.

Ordered for third reading.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Just before the adjournment of the House, I might announce to the House that there is a slight change in the order of the legislation to be considered after question period tomorrow.

Bill 113 is now going to be followed by Bill 124. They will be followed by Bills 73, 78 and 77. Then I would presume that we could continue with the ones that we did not do today: Bill 85, and Bill 68, the Metropolitan Police Force Complaints Project Act.

The House adjourned at 6:06 p.m.

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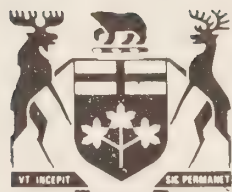
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Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
 Bradley, J. J. (St. Catharines L)
 Breagh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
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 Cooke, D. S. (Windsor-Riverside NDP)
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 Cureatz, S. L.; Chairman (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
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 Hodgson, W. (York North PC)
 Johnston, R. F. (Scarborough West NDP)
 Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 McKessock, R. (Grey L)
 McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
 Peterson, D. R. (London Centre L)
 Reed, J. A. (Halton-Burlington L)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
 Rotenberg, D. (Wilson Heights PC)
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 Ruston, R. F. (Essex North L)
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 Treleaven, R. L. (Oxford PC)
 Turner, Hon. J. M.; Speaker (Peterborough PC)
 Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
 for Justice (London South PC)
 Watson, A. N. (Chatham-Kent PC)
 Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North (PC)
 Wrye, W. M. (Windsor-Sandwich L)

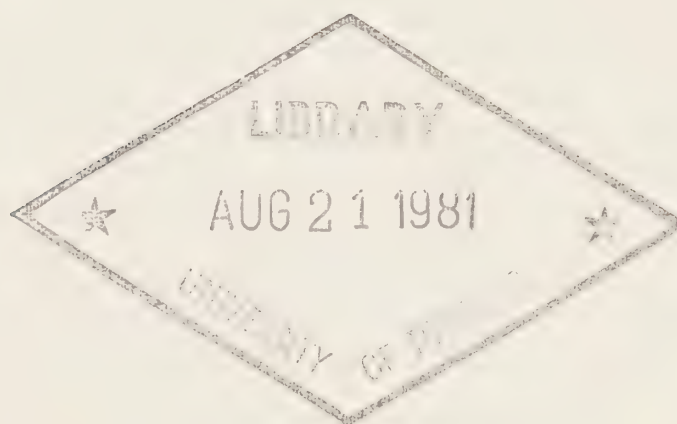


Ontario, LEGISLATIVE ASSEMBLY

No. 59

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, June 25, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 25, 1981

The House met at 2:00 p.m.

Prayers.

RENTAL CONSTRUCTION LOAN PROGRAM

Mr. Smith: Mr. Speaker, I have a brief point of privilege, and then a point of order that is a little more substantial.

After some continued requests, the Minister of Housing (Mr. Bennett) was purporting to tell this House how many units had been approved for Ontario and for Metro Toronto under the Ontario rental construction loan program. He stated figures of 609 for Toronto, 895 for North York and 1,861 for Scarborough.

What the minister has done in his statement has been, I think, misleading, although perhaps inadvertently so. He says that for Ontario, 11,993 units were approved and 3,074 were committed. By the word "committed" he means what most people would mean by fully approved: namely, approved to the point where they have actually had mortgage funds from the program committed to them.

If he had continued his statement accurately he would not just have said there were 609 units approved in Toronto; he would have said what Mr. Haley of the Ontario Mortgage Corporation has told us today: that in terms of full approval—that is, approval to the point where money has been committed—whereas 3,000 units have been fully approved and had money committed in the rest of Ontario, zero units have in fact been approved to the point of full commitment in Metropolitan Toronto.

I would have thought an honest, straightforward answer to that when the question was first raised by the member for Parkdale (Mr. Ruprecht) would have been much better than the cat-and-mouse game we have had to play in this House to get that answer, which still was not forthcoming from the minister.

Hon. Mr. Bennett: Mr. Speaker, in reply to the question of privilege, or whatever it happens to come under, I said very clearly in this House yesterday, and I repeat, that the total number of units approved by the Ontario Mortgage Corporation under the Ontario rental construction

loan program have been approved in full by OMC. The Leader of the Opposition's people were in touch with OMC this morning and the same message was given to them as I am giving now.

I have said in this House before, and I repeat, that after we give the approval, which makes it a financially viable program, they then have to secure building permits. Indeed, they have to secure a commitment by the private lending institutions for the money they require in the private mortgage market field. That is the difference between what we call approved by Ontario Mortgage Corporation and the completely committed, which means they have secured a building permit, financing in the outside market and are prepared to go into the ground.

In discussing this yesterday with several who have made applications under the rental construction loan program, they reviewed the latest amendment to the program. One in particular, Mastercraft Construction, which is developing in both Mississauga and Scarborough, will be under way within the next two to three weeks. Officials of the firm think it will have its permits from the municipality to commence construction. It will then appear in the committed program; it is now in the approved program.

MORTGAGE BROKERS

Mr. Smith: Mr. Speaker, a separate point of order: I think I have made my point on the other one. It concerns yesterday's statement by the Minister of Consumer and Commercial Relations (Mr. Walker) regarding initiatives to improve the ministry's licensing and monitoring procedures. You will recall the statement, Mr. Speaker.

It is my understanding that, according to the rules of the House, a statement of this kind outlining new ministerial policy must be accompanied by a compendium of background information presumably indicating what the previous policy had been, the reasons for the change and things of that kind.

It is especially relevant in this case because the so-called initiatives to improve the licensing and monitoring procedures are so basic and so

germane to the exercise of the licensing and monitoring function that I am alarmed to think what the previous policy of the ministry was.

I note the minister stated, "Mortgage broker registrants are now subject to extensive individual scrutiny, including credit and police checks and search of executions." Without a compendium, we are left to wonder whether our licensed mortgage brokers operating in this province were licensed without something as basic as checking to see whether they had absconded with other people's money in the past.

Similarly he said: "We have created a special joint investigation approach between the financial institutions and business practices divisions. They work with the Ontario Securities Commission. Members of this team are specially trained and tackle problem situations as a single team, with impressive results since its inception." Again, without a compendium, are we to believe that one arm of the ministry did not bother to communicate with another arm of the ministry to see whether people dealing with the public's money were already found to be fraudulent or guilty of a shady practice in the past?

I do not want to use the time of the House unnecessarily, but he says, "Ministry officials liaise more frequently with police forces at all levels across the province and beyond." He says this contact has "increased dramatically." Are we to believe this did not happen before or that the dramatic increase may be from one contact to two—a 100 per cent increase or something of this kind?

We need a compendium because he says, "The ministry maintains a list of individuals who have been under investigation by our officials or who have been disciplined by the Ontario Securities Commission, the financial institutions division or the business practices division." How could it be conceivable that such a list was not kept in the past? People will wonder how safe any investment is today if the ministry has been operating without even those basic, rudimentary practices in place.

Without a compendium, we are asked to believe that new initiatives have occurred which are so basic and fundamental that one could hardly imagine the ministry could have gone on without them in the past. I would ask you, Mr. Speaker, to consider whether such a compendium will be forthcoming as to past practice in the ministry.

Mr. Speaker: Of course, I was not aware that it was not with the statement. I would ask Mr. Walker to reply.

Hon. Mr. Walker: The compendium will be supplied by—

Interjection.

Mr. Speaker: Order, order.

Mr. Di Santo: Mr. Speaker, I have been on the list to ask a question for several days. The way it goes for the back-benchers—

Mr. Speaker: Order, order. That is not a point of order. Mr. Walker.

Mr. Di Santo: Mr. Speaker, it is a point of personal privilege. I am entitled to represent my constituents—

Mr. Speaker: Order, order. No, it is not. This matter has been raised before and you should properly take it up with your House leader.

Hon. Mr. Walker: Mr. Speaker, I will see that sufficient information is supplied before question period tomorrow.

2:10 p.m.

TRIBUTES TO JACK SPENCE

Mr. McGuigan: Mr. Speaker, I rise to inform the members of the death of Jack Spence who was the member for Kent-Elgin from 1955 to 1977. He was a friend of all members of the House and he was known for his humour, his wise counsel and his dedication to public service.

Mr. Speaker: Thank you, Mr. McGuigan. I am sure all members join in extending their sympathy.

Mr. MacDonald: Mr. Speaker, as a fellow member of the class of 1955 that came in with Jack Spence, and on behalf of our group, I want to express our sadness at Jack's passing and to express our condolences to all members of the family. Jack was a very earthy, friendly sort of fellow with whom everybody had direct human relationships, and he was the kind of person who brought honour and warmth to this House. I would like to join with the honourable member for Kent-Elgin in our expression of sympathy.

Mr. Speaker: Thank you, Mr. MacDonald.

Hon. Mr. Henderson: Mr. Speaker, I would like to associate myself with the former speakers in recognizing the death of our friend, Jack Spence. I had the pleasure of working with Jack Spence on many committees and I had the pleasure of working with him in the neighbouring riding. Jack Spence was recognized in this

House and across Ontario as an individual who wanted to help people, who did help people, and who spent most of his life helping people. His death will sadden many people.

Mr. Speaker: Thank you, Mr. Henderson. Before routine proceedings I would ask all members of the assembly to join me in welcoming Mr. Yaroslav Stetzko, former head of the Ukrainian provisional government.

STATEMENTS BY THE MINISTRY

FRUIT AND VEGETABLE STORAGE PROGRAM

Hon. Mr. Henderson: Mr. Speaker, I am pleased today to announce the details of my ministry's fruit and vegetable storage construction and packing equipment assistance program. As members all know, it is part of the government's Board of Industrial Leadership and Development program announced by the Premier (Mr. Davis) in late January. The storage program was created to further the production and marketing of Ontario-grown fruits and vegetables.

The program will encourage the construction of new fruit and vegetable storage space as well as the modernization of existing facilities. This will increase Ontario's ability to supply quality fruits and vegetables over an extended marketing season. It will also assist in the construction and modernization of packing facilities to supply markets with high-quality, Ontario-grown produce.

The government of Ontario has allocated \$20 million to this program over the next five years. Fruit and vegetable growers and packers may apply for the grants. This includes individual producers, partnerships, corporations, producer groups, co-operatives and food processors who meet the program's standards. Qualified applicants are eligible for a grant of one third of the total capital costs up to a maximum grant of \$85,000 for one or more approved projects during the five-year period of the program.

Projects with a capital cost of \$255,000 or less will be approved by my ministry. Storage projects with a total capital cost of more than \$255,000 will also require the approval of the Board of Industrial Leadership and Development. The level of grant assistance for these projects will be determined by BILD. The total program will be administered by my ministry.

Projects with a capital cost of less than \$3,000 and those which receive any other form of government aid from either the province or the

federal government will not be eligible for assistance under this program. Further information on the program and application forms will be available through my ministry's county and district offices in mid-July.

Mr. Laughren: Mr. Speaker, on a point of privilege: I missed a little bit of what the minister said. Is he telling us that the deceit is now going to end and that Timmins is going to get a food terminal?

Mr. Speaker: That is not a point of privilege.

Mr. Laughren: It's a point of view though.

HOSPITAL BUDGETS

Hon. Mr. Timbrell: Mr. Speaker, the honourable members are aware that arbitration awards have recently been handed down for two groups of hospital employees: those represented by the Service Employees International Union and those represented by the Canadian Union of Public Employees. The CUPE award is retroactive to September 29, 1980, while the SEIU award is effective April 1, 1981.

The settlements will require additional funding to be provided by the Ministry of Health to assist hospitals in financing the impact the employee awards will have on them. To give an indication of the extent of this impact I need only remind this House that staff salaries and wages comprise about 80 per cent of a typical hospital budget.

It is of interest to note that another major group of hospital employees—nurses, represented by the Ontario Nursing Association—are at present under review by an arbitrator.

So as to allow hospitals to handle known and anticipated awards the Ministry of Health will be adjusting hospital budgets both for 1980-81 retroactively and for 1981-82. These adjustments are also designed to reflect other inflationary pressures which hospitals may be experiencing.

For the fiscal year 1980-81, the ministry will be adding \$37 million to hospital budgets. The details will be released within the next week to individual hospitals. In addition, the ministry will be increasing the present hospital budget guidelines by a further two percentage points in 1981-82, which will adjust to an average of 12.1 per cent overall.

In total, the ministry will be increasing the cash flow to the hospitals by \$118 million this year. This figure covers the two fiscal years, both the retroactive funds for the 1980-81 fiscal

year, resulting in an adjustment in the operating base, plus a further increase of two percentage points in 1981-82.

I would assure the honourable members the government is committed to maintaining our excellent hospital system. These adjustments should permit the hospitals to meet their salary settlements and maintain their existing operations.

STOCK AND FUTURES EXCHANGE BILLS

Hon. Mr. Walker: Mr. Speaker, I am pleased to announce that the Ontario Securities Commission, in co-operation with the Toronto Stock Exchange, has developed legislation that revises the Toronto Stock Exchange Act and will incorporate the Toronto Futures Exchange.

It will not be possible to introduce and have passed the Toronto Stock Exchange Act, 1981, and the Toronto Futures Exchange Act, 1981, before the recess, but it is important to distribute their contents as widely as possible during the summer in order that all interested parties can contribute their input. Within the next two weeks the Ontario Securities Commission will be printing the draft bills in their weekly bulletin which has very widespread coverage. Comments are invited and should be directed to their offices.

The Toronto Stock Exchange Act, 1981, would replace an act passed by the Legislature in 1968. In the years since that act came into force there have been further developments in corporate and securities legislation not reflected in the original act. It is now time to bring the act up to date to match the realities of the 1980s.

The bulk of the present act remains intact but the principal amendments are as follows:

1. The board of governors of the Toronto Stock Exchange will be authorized to delegate its investigative and disciplinary functions to one or more committees established by the board and to individual persons.

2. The board of governors of the Toronto Stock Exchange will be authorized to hold meetings by conference telephone, electronic or other communicative devices.

3. The powers of the exchange to hold property will be increased to assist the planned relocation of the exchange to new quarters.

4. The object of the exchange, as set out in section 4 of the bill, has been revised to reflect that securities such as options are traded on the exchange in addition to stocks.

2:20 p.m.

5. Provisions concerning the election of the chairman and vice-chairman of the board of governors and the appointment of the secretary and treasurer of the exchange are included in the bill.

6. The exchange will be able to alter the size of the board of governors by bylaw.

7. Where in the public interest an order is made restricting or suspending the privileges of a member before a hearing is held, a hearing must be held within 15 days of the making of the order, otherwise the restriction or suspension expires 15 days after the making of the order.

The Toronto Futures Exchange Act, 1981, proposes to create a commodity futures exchange pursuant to statutory provisions similar to the Toronto Stock Exchange Act, 1981.

The board of governors of the Toronto Futures Exchange will consist of 11 members: five will be elected by members of the futures exchange, three will be elected by the Toronto Stock Exchange, two will be public directors and one will be president.

Under the new act the board of governors will have the authority to pass bylaws and will have the power to discipline its members or to delegate its disciplinary power to a committee established by the board.

The act provides that the futures exchange may hold property without the limitations contained in the Corporations Act, and will allow meetings of the board and its committees to be held by conference telephone, electronic or other communications facilities.

The act also confirms that the futures exchange will be subject to the control of the Ontario Securities Commission and to the provisions of the Commodity Futures Act, 1978.

I mentioned earlier that the Toronto Stock Exchange Act is being brought up to date to match the realities of the 1980s, and the same philosophy is behind the Toronto Futures Exchange Act. The latter will create for the first time in Ontario a separate and distinct commodity futures exchange similar to commodity exchanges in the United States and elsewhere in the world.

The act will bring commodity dealers who are not members of the Toronto Stock Exchange within the self-regulatory framework of the futures exchange, and will allow an added measure of customer protection through a contingency fund to be established.

I want to thank the financial community for

their input in producing these two acts, and I look forward to a wide distribution of their contents for further discussions.

I would now like to table the proposed and draft bills in their unnumbered state.

WORKMEN'S COMPENSATION

Hon. Mr. Elgie: Mr. Speaker, yesterday when I introduced amendments to the Workmen's Compensation Act adjusting benefit levels I advised the House I would be tabling a white paper on workers' compensation in Ontario. Copies of the paper have now been filed with the Clerk and are in the members' boxes.

As I said yesterday, the paper results from a comprehensive review of the existing Workmen's Compensation Act and its administration by Professor Paul Weiler, whose report entitled *Reshaping Workers' Compensation in Ontario* was tabled last November.

The white paper outlines 21 major recommendations, both substantive and procedural. Each of the recommendations is followed by a concrete illustration showing its practical effect. In addition, the paper contains a completely revised act embodying all the new recommendations as well as cost estimates prepared by the board's actuary and verified by a firm of actuarial consultants.

As I state in the preface of the white paper, I would like to proceed with the enactment of new legislation along the lines set out in the draft bill contained in the white paper unless I receive strongly-supported reasons for modifications in the approach we are taking. The white paper will be distributed to all persons and organizations known to have an interest in this important topic. I have requested that written comments be provided to me by August 31, 1981.

The significance and far-reaching effect of the proposals contained in the white paper and in the draft bill cannot be overemphasized. I therefore look forward to receiving full and carefully considered responses from members opposite and from the community at large.

ORAL QUESTIONS

FORMER PSYCHIATRIC PATIENTS

Mr. Smith: Mr. Speaker, I have a question for the Minister of Health. The minister will be aware that our health critic, the member for London North (Mr. Van Horne), and a member of our staff along with certain members of the press were able to come face to face with some

of the rather deplorable housing conditions facing ex-psychiatric patients in Metropolitan Toronto.

The recently completed but still secret study on the problem of housing ex-psychiatric patients in Ontario prepared by Community Resources Consultants of Toronto lays the blame for the problem squarely on the member's ministry. It concludes, "The major problem arises from the inadequate funding base of the adult community mental health program, and the adult community mental health program is the only source of substantial and sustained funding which exists at the present time."

Will the minister tell us whether he intends now to commit funds to provide the necessary alternative community housing for these unfortunate people? Will the minister accept the opinions expressed in this secret report, and recognize that simply clearing psychiatric patients off custodial wards is not doing them any favour if they end up having to live in dingy, filthy basements somewhere without adequate care? Will the ministry accept its responsibility and provide proper housing for former psychiatric patients, at least in Metro?

Hon. Mr. Timbrell: Mr. Speaker, first, is the member referring to this report? If this is the report, it is the psychiatric aftercare—

Mr. Nixon: That is a secret.

Hon. Mr. Timbrell: If it is secret, it is secret even to me. The report I have had for some time, which is a public document, is one prepared by Community Resources Consultants.

In recent months we have had a number of discussions with representatives of the city and Metro councils, including a recent meeting about 10 days ago with the chairman of Metro and representatives of the social services committee of Metro council, several of them being aldermen in the city of Toronto. In the course of these discussions, I think everyone acknowledged a number of boarding homes have been closing. This is due to a variety of factors, one being increased inspection, surveillance and enforcement of the legal requirements of the Public Health Act and another being the current real estate market.

One might say on the one hand that is good because the power that has been there for years in the Public Health Act is being utilized to meet problems as they arise. On the other hand the effect of that seems to be, in many cases, the operators are closing those boarding houses and

thereby reducing the options for some people. That is creating a problem in the availability of housing for discharged patients, for whom the more traditional alternatives of housing that anybody else might turn to are not appropriate.

What we have agreed—I have discussed this with my colleague the Minister of Housing (Mr. Bennett)—is that we will work with them at identifying the extent of the problem and also work on solutions to it. At no time in my discussions with representatives of Metropolitan Toronto or the city has there been the suggestion that the community mental health funds, which are for aftercare and preventive programs, should be devoted to housing.

I do not recall at any point in the discussions any suggestion that those funds should be devoted to that. We acknowledged, as we did in the past with respect to the developmentally handicapped and the disabled, there may be a need for some housing programs and my colleague has indicated his willingness to work on identifying the extent of the problems and coming up with some solutions.

Mr. Smith: By way of supplementary, Mr. Speaker: I would draw the attention of the minister to the fact that the report I mentioned is not the same report as the one he is referring to. This one is called Funding Options for Alternative Community Housing for Psychiatric Patients in Ontario. It says clearly on page four—it is by Community Resources Consultants, a private group that was hired by the ministry—"The adult community mental health program is the only source of substantial and sustained funding which exists at the present time." Whether Metro is asking that those funds be used or not is immaterial. This group of consultants has found that happens to be the only source of funding that exists; if the ministry has another source, that is great.

I ask the minister, if he has not seen this report—he says he has not seen it and I believe him—if will he undertake to look at it? At the same time, would he check into reports we have received indicating that members of his staff have met this month with the consultants who did this study, and have directed the authors to rewrite it, to launder the report, to remove those aspects that were critical of the Ministry of Health?

2:30 p.m.

Hon. Mr. Timbrell: Mr. Speaker, I do not believe I have seen it. I am certainly familiar with this other report, also prepared by the

Community Resources Consultants, but that is where I am having some difficulty. This after-care review also touched on housing, also dealt with the Clarke Institute of Psychiatry, the Toronto General Hospital and Queen Street; that is why I am having some difficulty understanding what that is, or whether it is one person's views or not.

The member made certain insinuations about members of my staff. I would be most appreciative of knowing dates and names.

Mr. Smith: You check. You find out.

Hon. Mr. Timbrell: The member made the insinuations. We do not operate under the Napoleonic Code here, we operate under the British judicial system and one's innocence is maintained until proven guilty.

Mr. Smith: I am not going to blow the whistle on anybody. You ask your staff.

Mr. Speaker: Order.

Hon. Mr. Timbrell: If the member will give me names and dates I will pursue it right down to the bottom of it.

Mr. McClellan: Supplementary: If we can get off the red herring and back to the problem, my understanding is that the Community Resources Consultants study identified very clearly that the problem consists of chronic mental health patients who are living in inadequate housing accommodation outside of institutions.

My question is very simple: Does the minister continue to pretend that this is not a problem, that there are not a lot of chronic mental health patients living in totally inadequate housing? Does he continue to pretend that he, as Minister of Health, has no responsibility for providing housing programs for this particularly unfortunate group of people?

Hon. Mr. Timbrell: Mr. Speaker, I am not and I do not think I ever have said there is no problem. The member will recall that on a number of occasions I have written to the municipalities emphasizing the authority that exists under present legislation to license at the municipal level, to inspect and to close if necessary. In fact, in a way we were discussing this in standing committee on social development a few days ago when we were talking about the extent of the power of a medical officer of health to close a facility that is unhealthy.

Acknowledging that, at the present time, the result of that law being enforced in Metro, plus apparently the real estate market making a sale

of the premises more attractive than meeting the requirements laid down by the municipal inspectors for some operators, there is a growing problem. I acknowledge that. That is why we have been in discussion with the Metro people and have indicated that we are prepared to work with them to identify the extent of the problem and try to come up with some solutions.

Mr. Van Horne: Mr. Speaker, I am not sure we had a direct answer as to which of the ministries has the responsibility for monitoring the boarding homes. Would this minister take it upon himself to accept that responsibility through the office of his new executive co-ordinator, Dr. Gilbert Heseltine, and ask him to take the mandate, run with it, and see that these unfortunate people do not have to sit in the middle of a wilderness? One ministry washes its hands and says, "No, it is not my responsibility; it is the other's." Will he assign the responsibility to him and see that the job is done?

Hon. Mr. Timbrell: Mr. Speaker, our responsibilities in the Ministry of Health have to do with the care of the individual. If that person is in need of continuing care but not institutional care, they may be in the homes for special care program or one or two other alternatives, where they are legally still patients and receiving care.

When an individual is discharged from the program then they are no longer directly under us and accountable to us. When I say "us" I mean to the physicians and staff of those facilities.

Mr. Cassidy: You put them out of the back wards and you wash your hands of them.

Mr. Speaker: Order.

Hon. Mr. Timbrell: If the honourable member does not want to hear what I am saying I think others do. When the member talks about boarding homes, whether the residents are former psychiatric patients or whether they are people who have never seen the inside of any kind of facility, the inspection and licensing of boarding homes is a municipal responsibility.

I do not for a moment reject the fact that we have a responsibility to assure that the availability of community mental health programs will either back up treatment programs relayed through the private practitioners or outpatient facilities of psychiatric facilities, or serve as preventive programs. I point out to the member that, if he compares our spending on community and mental health programs in the last couple of years, he will see that it has more than doubled.

HEATING GRANT PROGRAM

Mr. Smith: Mr. Speaker, I will ask a question of the Minister of Revenue regarding this exceedingly generous home heating cost assistance program of his.

Apart from the niggardly aspect of it, will the minister consider for a moment two groups of citizens? Will he consider, on the one hand, the 52,000 seniors who are earning as total income in each case more than \$20,000 a year? There are 52,000 of those people getting more than \$20,000 a year. Will he consider, on the other hand, the thousands and thousands of households trying to raise a family on less than \$20,000 a year? Will he explain to me why it is that the families earning less than \$20,000 a year in hundreds of thousands of instances will receive zero from this, whereas the seniors earning more than \$20,000 a year will each receive \$60? How can that be considered fair?

Hon. Mr. Ashe: Mr. Speaker, I thought we had answered that question rather adequately yesterday; obviously not.

Really, any program that a government can come forward with very seldom will be perceived as the end-all to serve everybody's needs. The particular program announced by the Treasurer (Mr. F. S. Miller) some days ago was designed to fit in and take care of the needs of two parts of our population, one being seniors. I acknowledge, as I mentioned yesterday, that partly for administrative reasons it was easier, if you will, not to set up a new system but to tag on to existing programs so that we could pass through to seniors, to the full extent, the \$60, \$40 or \$20, as the case may be, over the next three years.

In so doing—there is no doubt about it—some seniors will receive that rebate, as they do with the property tax rebate and as they do with the sales tax rebate, who in a straight economic sense perhaps do not require those funds.

But I feel, as does this government, two things: First, we want to make the programs that we provide in this province easy and very accessible to all seniors without undue complications; second, we feel that the seniors in this province have contributed to the growth of Ontario and do not have to come forward to justify why they should or should not receive and participate in a certain program.

Now the other end of the scale: There is no doubt that with the credit program as it has been announced—in other words, the 60 per cent less one per cent of taxable income to the principal

taxpayer—there will be people earning, to use the illustration of the Leader of the Opposition, and receiving less, based on the incomes they receive, than some seniors would. But again, as we indicated and as the Treasurer enunciated some days ago, this particular program was designed to get to those who needed it most.

We have been trying to get the federal government to recognize the problems. They have not acted. We have gone ahead and acted, and we are helping a great segment of this population.

It is not the be-all and end-all program, and I suggest that if the Leader of the Opposition has any further concerns he should pick up the phone to some of his own federal representatives and ask them to follow the lead taken by Ontario and join us.

2:40 p.m.

Mr. Smith: Since the minister admits that there will be 52,000 seniors making more than \$20,000 who will receive the \$60, whereas there will be thousands of families of working people earning less than \$20,000 and who will get nothing, and since he claims the reason for that is that they did not wish to add administrative costs or to add on a new system, how does he justify that in the face of the fact that before the last election his ministry did not hesitate to add \$3 million in administrative costs alone so that the tax grants to seniors could come by way of a cheque from Ontario rather than by way of a rebate with the income tax rebates from Ottawa?

In particular, apart from all of the politics here, will the minister please consider amending this program to permit some assistance to go to working people with children? I ask him to consider that his plan is likely to help seniors, obviously, and single-parent families and singles living alone; that is the target, the very impoverished. But will the minister consider the possibility of expanding the plan slightly to help working people who actually have children and are earning low wages, less than \$20,000 a year, and trying to raise a family on that?

Hon. Mr. Ashe: First of all, I did not acknowledge that the figure of 52,000 was accurate or inaccurate. I acknowledged that no doubt there are a number in that income category as referred to by the leader of the official opposition. It may or may not be the right number; I do not have those figures handy at this time.

As for amending the program, the Leader of

the Opposition knows the Treasurer sets the policy on this program and we in the Ministry of Revenue implement that program. If he would look closely at the program that has been outlined, he would see that some of the concerns he has just brought forward are already acknowledged within it—granted, not to the degree that he may perceive; in other words, somebody getting—

Mr. Sargent: Why don't you sit down? That is a chicken answer. Blame it on the Treasurer. It wasn't your fault, was it?

Hon. Mr. Ashe: If the member will be quiet and just listen for a minute, he might learn something.

Mr. Speaker: Order.

Hon. Mr. Ashe: He could find out a little bit more than he knows now.

Mr. Speaker: Will the minister address himself to the main question, please?

Hon. Mr. Ashe: Thank you, Mr. Speaker. I will attempt to do so.

In any event, the program as it has been enunciated recognizes taxable income by the principal earner in the family. It still recognizes whomever that may be. Similarly, as for property tax credits—and again we are doing it all through the same form—I suggest that there may be particular and different burdens on a household whether they have zero children, or one, two, three, four, five. I suggest to members that our tax system as it is now designed recognizes, at least to some degree, those differences and we are tying into that accordingly.

Mr. R. F. Johnston: Mr. Speaker, the minister admits that this is not the be-all and end-all of legislation. Is it now his policy to bring in half-hearted and half-baked legislation when it is absolutely unnecessary and when in terms of these senior citizens the money is not going to be available until next spring? Would it not be a lot better to come back with comprehensive and well-thought-out legislation this fall if the money is not going to be available until next spring? Why come up with something half-baked now?

Hon. Mr. Ashe: Mr. Speaker, the member opposite can put any classification on the program that he so chooses. Needless to say, we do not agree with his particular interpretation that it is a half-baked program at all. It is a well-thought-out program that has been implemented. It recognizes and was designed to offset heating costs in the next heating season, which

for most people in this climate takes place starting this fall and going through to next spring. That is when the grants or the credits, as the case may be, will be recognized by the respective group of taxpayers.

A program that will distribute back to our citizens \$125 million over three years is a very reasonable and responsible program for a government with limited tax-raising abilities.

Mr. Peterson: Mr. Speaker, recognizing that the Treasurer through his program last year saddled the Minister of Revenue's ministry with \$3 million extra in overhead to administer and dispense the various cheques that he does, does the minister not feel it would be fair to go back to the tax credit system, assisting those people on an income-tested basis, those most in need, and distributing this money on that basis, as well as the \$3 million in overhead his ministry is consuming right now?

Does the minister not think it is a fair and more equitable way to distribute money back to people on the basis of those who need it most? Why does the minister not recommend that to the Treasurer?

Hon. Mr. Ashe: Mr. Speaker, I would not recommend that to the Treasurer of Ontario, because I do not agree. It would be a step backwards. What we are doing now is making funds available to the seniors of this province without them having to wait till they file their income tax returns in the spring of the year. In many cases these are people who would not under any other circumstances be obliged to file an income tax statement. We are delivering to them funds at the time that they need them. I think that is a step forward, and to go back to what the honourable member suggested would be a step backwards.

WORKMEN'S COMPENSATION

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Labour.

Can the minister explain why the government has once again rejected the principle of compensating injured workers against the force of inflation and why the increases in benefits being proposed in legislation this week will leave those workers at least 3.6 per cent further behind inflation just over the course of the last couple of years?

Given the fact that the cabinet has not been prepared even to propose to the Legislature that workers be compensated for inflation, how is it that the government believes it should be

entrusted to make further adjustments to WCB benefits by regulation without even coming for reference to the House?

Hon. Mr. Elgie: Mr. Speaker, first of all and with respect, I submit that the member had better go back and read the consumer price index. It has been the custom during ad hoc amendments to increase them by the amount of the previous year's average consumer price index, or by two years, as we did the time before. If he goes back to the tables, he will find the cost of living price index increase on average in 1979 was nine and in 1980 was 10. That is exactly in line with the cost of living increases.

Mr. Cassidy: With respect, the rate of inflation as measured by the consumer price index has been a 23.5 per cent increase over the two years since the last adjustment in July 1979. If stacked together, the increases that are being proposed by the government now will give workers who already have inadequate incomes an increase of 19.9 per cent, which means they will lose a further 3.6 per cent in purchasing power.

The minister surely is aware of the fact that workers who had a pension granted in 1971 have lost 39 per cent of their purchasing power over the course of the last decade, and that is even after counting the increase being proposed now. Why does the government always seek to make injured workers its whipping boys when it is fighting the battle of inflation?

Hon. Mr. Elgie: I do not know about other members, but I get a little sick of hearing that kind of stuff. The member knows very well that, in the introduction to the Weiler report, Professor Weiler said, "In view of the major reforms I am recommending here, I do not feel I should introduce any further interim amendments." But this government said that two years will have gone by, as of July 1, since workers have had an increase.

I gave an undertaking in December 1979 that if there were a prolonged delay I would introduce amendments. I have done that. Whether the member likes it or not, if he looks back in history he will see that the increases have been obtained in exactly the same way as they were in other years in relation to the consumer price index for 1979 and for 1980. That is exactly how it has always been done.

2:50 p.m.

Mr. Mancini: Supplementary, Mr. Speaker: The Minister of Labour is aware that injured workers have absolutely no defence against the

ravages of inflation; they cannot defend themselves in any way whatsoever against inflation. It is totally up to the government, through the legislation it can introduce, to protect injured workers and to help maintain some part of their standard of living. Why does the minister not grant them the exact amount of the increase in the consumer price index so they can try to support themselves and their families adequately in the best way they can?

Hon. Mr. Elgie: Mr. Speaker, I am not quite sure where the member has been lately—

Hon. Mr. Davis: Neither do the rest of us.

Mr. Speaker: Order.

Hon. Mr. Elgie: —but he will know that today we tabled a white paper, which recommends major areas of reform. In the interim, my review of it and our efforts to convert it to statutory language indicate to me that it clearly needs thorough consideration by other people before we proceed with it. There have been increases made that are exactly in line with the cost of living index. I do not understand where this is coming from. They had better read the cost of living index again.

Mr. McClellan: Supplementary, Mr. Speaker: The minister seems confused. Has the minister not read the section on page 68 of the Weiler report, Reshaping Workers' Compensation in Ontario, where Mr. Paul Weiler says: "In the five years from 1975 to 1979, inflation adjustments have totalled 37 per cent, while the consumer price index increased by a total of 45 per cent"?

Has the minister conveniently forgotten that little ripoff of injured workers, and can he explain why this present set of rate increases has not taken into account the ravages of inflation as measured by the consumer price index? Does the minister just want to nickel and dime injured workers again?

Hon. Mr. Elgie: Mr. Speaker, the member for Bellwoods is reading selectively. If he wants to read the Weiler report into the record, he should read out the inequities that occur with regard to what Mr. Weiler perceives as payment when there has not been any income loss as opposed to those situations where there may not have been enough awarded in the past. What I am saying is that for the past two years—

Mr. Martel: That is a really weak answer.

Hon. Mr. Elgie: If the member does not understand that report, then it is a good thing we are delaying it so he does get a chance to read it.

That is exactly why I am tabling a white paper, because even the member seems to have some misunderstandings about it.

Mr. Speaker: Return to the question, Mr. Elgie.

Hon. Mr. Elgie: Clearly, anybody who understands the process of ad hoc adjustments we have gone through understands the difficulties with them and understands that the amendment I introduced yesterday covered the last two years and follows the cost of living index.

Mr. Laughren: Mr. Speaker, on a point of privilege: I believe my privileges as a member have been abused, and indeed the privileges of all the members in the opposition in this chamber have been abused, because of a lie contained in the white paper on the Workers' Compensation Act at page 28. There is no better term to describe it.

On page 28, in discussing the erosion of workers' permanent pensions because of inflation, the report declares, "Given the crowded Legislative agenda each year, however, and the time-consuming debate about proper benefit levels, such increases have been sporadic."

I suggest to you, Mr. Speaker, that the fact injured workers have not received adequate increases in permanent pensions is not because of the crowded agenda and not because of the debate carried on by members of the opposition, but rather because the government simply refused to bring in adequate increases. To attempt to blame the opposition members for the way injured workers have been nickled and dimed in Ontario is a blatant lie.

AUTOMOBILE INDUSTRY

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Industry and Tourism which arises out of his claim that I was distorting the record when we exchanged a few views over the question of creation of jobs in the automobile industry last Friday. The minister said, "Until the leader of the third party is able to say the information we provided about Atlas and Linamar is something we made up—that it is fiction—he has no case."

My question to the minister is this: Is the minister not aware that in the case of Atlas Hoist and Body, which has received a \$300,000 employment development fund grant in Cornwall and for which the minister has been claiming an increase of 130 new jobs from the 55 jobs that were there in 1978, there are only 59 workers there today, and we have it from both

the union and the management of that company that there is a very strong chance that, far from creating 130 new jobs, the company may find itself compelled to close in Ontario?

Hon. Mr. Grossman: Mr. Speaker, the member of course has not indicated, first, that last year Atlas had 20 employees and this year they have tripled that number to 60. Second, they expect to have 130 workers by 1983 if conditions warrant that. If they are able because of market to meet that target, then all of our numbers will be in place.

Interjections.

Hon. Mr. Grossman: Just settle down. The member for Hamilton West (Mr. Smith) should take it easy. He was not here last night. The member for London Centre (Mr. Peterson) was over here trying to get votes on this side last night. At least I work my own side.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: Of course, this will soon be his side too. We will still be here, and he will too.

Interjections.

Hon. Mr. Grossman: He has got more friends on this side.

Mr. Speaker: Order.

Hon. Mr. Grossman: I say to the leader of the third party, if he will stop shaking his head, the fact of the matter is that in the case of Atlas they are having problems with market, there is no question about it. If they find that they are unable to meet their commitments under the employment development fund contract which we require from firms—they have to make hard, firm commitments to this government—then they will not be able to provide that number of jobs and the government will recover its money. Those conversations are already under way with Atlas.

Just so we will understand, this government said that, to date, projects announced or undertaken in those 24 months amounted to about 25,000 new jobs over that time frame. The announced projects included Atlas. Atlas, as is the case with some other of those 73 firms, may find that they are unable to go ahead and may return the EDF money.

If the member is asking me whether all those figures will turn out four years from today to total exactly 25,300 and whatever it was, the answer is no. Some of those firms will create more jobs, since our contracts negotiate mini-

mum numbers; others will not be able to create enough, and those that have EDF grants will return their money. All the member opposite is able to do as of today is say that perhaps 130 of those 25,300 jobs may not turn up in 1983. That is the entire point he is making.

Mr. Cassidy: Since it appears now that the BILD program should be renamed the IF program, because nothing will happen unless a whole lot of conditions are met, and if those conditions are met and the 4,500 jobs the minister has talked about in the auto parts industry will not be created, will the minister withdraw the allegation he made that I was distorting the facts, when it is clear that a fact is not a fact when it comes from the public relations puffery issued by his ministry?

Is the minister now also prepared to agree with this party that PR puffery from the Ministry of Industry and Tourism is not enough, that it is not enough to have indiscriminate handing out of grants under the BILD program or the employment development fund to turn the auto parts industry around, and that it is about time we created a crown corporation for the auto parts industry—let us call it Auto-Canada, the way we suggested during the course of the election campaign—and gave a mandate to Auto-Canada to redress the parts imbalance in our trade with the United States and get this province moving in terms of auto parts production and jobs?

Hon. Mr. Grossman: Is that really what the members opposite called it? Autocan?

Hon. Mr. Ashe: Tin can.

Hon. Mr. Grossman: Trashcan. I must say that the NDP's Autocan proposal took off so wildly during the campaign that I can understand why they are reintroducing it now.

Hon. Mr. Davis: A couple of fellows in my riding laughed.

Hon. Mr. Grossman: Ted Bounsall thought it went terrifically.

3 p.m.

I have to say to the leader of the third party that in Toronto last week we had the major auto parts show in the world. I thought it was interesting. If any of the Windsor members of the member's party had taken a few minutes—instead of writing open letters to the minister; or on Fridays, when the Canadian Broadcasting Corporation people from Windsor are in town, rising on a point of privilege—if they had thought it might be worth while to see what is

happening in the auto industry, they could have driven the 10 blocks to the Coliseum and visited the major auto show in the world, and they would have found—

Mr. Cassidy: The member for Windsor-Riverside (Mr. Cooke) and I were there for three hours. We didn't see you there.

Hon. Mr. Grossman: Yes, he was there. What day was the member there?

Mr. Cooke: Last Thursday.

Hon. Mr. Grossman: Yes, Thursday; it finished Wednesday night, though.

Mr. Cooke: We went to see your show.

Mr. Speaker: Order. Will the minister address himself to the question, "Will the minister not agree . . ." and so on?

Hon. Mr. Grossman: No, the minister will not agree. Mr. Speaker.

Mr. Samis: Supplementary, Mr. Speaker: Returning to the case of Atlas, is the minister aware that the union has been told the work force probably will be reduced to 15 by September and that the company is actively seeking a customer to take over the plant lock, stock and barrel? Will he table the details of the agreement with the House?

Mr. Wildman: Who pays back the money?

Hon. Mr. Grossman: First, I will be pleased to give the honourable member all the details we can of the Atlas agreement. Second, if those eventualities occur, this government, unlike the things the third party predicted when we entered the employment development fund program, will recover all of the moneys promised to Atlas.

Third, may I say to the member that in point of fact, if his leader wants to play this game of pointing out the half a dozen firms out of 73 which will not meet their projections, I will come tomorrow, or however many days we have left, and rise during statements by the ministry and indicate the number of firms that are going to far exceed the projected numbers.

There are variations, we do not deny it. I understand the politics of the the member rising and making a fuss out of it; but, if he wants to play the game, we can take a lot of time and play that game.

I will get the member the details, and I understand his concern on Atlas.

[Later]

Mr. Cooke: Mr. Speaker, I rise on a point of privilege. I wish to point out to the Minister of Industry and Tourism that I did go to the

Société internationale de transportation et véhicules trade show last week with my leader. I spent a few hours there.

He might be interested to know that when I was contacted by my local newspaper I said it was a step in the right direction. This government does not know how to attack the structural problems, but the trade show was a good idea and I congratulate the minister for getting it off the ground.

That is my first and last compliment ever for the Minister of Industry and Tourism.

Interjections.

Mr. Speaker: Order.

Mr. Cooke: I knew I should not have said it.

SEEPAGE OF GASOLINE

Mr. Haggerty: Mr. Speaker, I want to direct a question to the Premier. Are the Premier, the Minister of the Environment (Mr. Norton), the Minister of Consumer and Commercial Relations (Mr. Walker) and the office of the fire marshal aware of the continuing threat of another explosion caused by gasoline spillage which could destroy the town of Fort Erie?

I had the opportunity of visiting the site last night. The contractor had excavated a deep hole in the ground, some 13 feet deep by 20 feet long, and it was being used as a catchbasin to drain off liquid fluid. I have a bottle here containing that liquid fluid.

Mr. McClellan: Throw it at the front bench.

Mr. Speaker: Order.

Mr. Haggerty: The members may be smiling over on that side, but a serious problem happened on June 15 when two buildings blew up in the town of Fort Erie and some persons were injured and hospitalized as a result of that incident. I suggest to the minister, before he allows Robo Self Service Gas Bar to continue to be open for business, as has been permitted by the different ministry staffs over there, that he put a stop to it now, because this bottle is highly explosive.

Interjections.

Mr. Speaker: Order.

Mr. Haggerty: Under certain atmospheric conditions this becomes very volatile. I suggest that the Premier should sniff it. He should not

drink it or put his pipe close to it, because he is liable to take off and we might have another election.

Mr. Eaton: How can you hand that to a little kid?

Mr. Martel: Put a match to it, Bill.

Mr. T. P. Reid: Does anybody have a match?

Mr. Speaker: Order.

Hon. Mr. Davis: Mr. Speaker, when I first saw this, I thought the honourable member was rising in his seat to tell us he was still healthy, but I gather it is totally unrelated to that.

I am not personally aware of it, although I think I did overhear—I could be wrong—a conversation with the Minister of Energy (Mr. Welch) some two days ago. Is that correct? Is that what the member was talking about here?

Mr. Haggerty: Yes. I advised the minister about two weeks ago.

Hon. Mr. Davis: I assume the member has advised the Minister of Energy and is pursuing it with him and with other ministries. I do not think the member brought it to my attention; so I am not particularly aware of it, although I do listen in on other conversations when they are that close at hand. I know the minister will pursue it with the member, representing his constituents.

The member will understand if I do not take this bottle home. I know there are some members on my friend's side of the House who need this volatility far more than I do.

Mr. Haggerty: This is a serious matter. I request the government ministries responsible to stop the opening of this gas bar. Under certain atmospheric conditions, vapour from those fumes will saturate the ground and leak into the sewer system again and the town will take off.

Hon. Mr. Davis: If the member wanted to take it seriously, which I think he should, he might have done something other than this little performance. I did overhear what he was saying to the Minister of Energy, and I know he takes it seriously, but he does not make his point in the House. Why does he not ask the Minister of Consumer and Commercial Relations? He might just have an answer for the member.

Mr. Haggerty: I drew it to the attention of the Minister of Energy some time in May. Representatives of the Ministry of Consumer and Commercial Relations, the Ministry of the Environment and the Ministry of Energy were present. What more can a person do?

Hon. Mr. Davis: I think it was some two days ago that I overheard the conversation—it may have been last Friday, but it has been within the last three or four days. All I am saying to the member is simply to ask the Minister of Consumer and Commercial Relations.

SEVERANCE PAY

Mr. Martel: Mr. Speaker, I have a question for the Minister of Labour. The minister is aware that National Steel closed its doors in 1979 as part of a temporary layoff. On January 19, 1981, the company advised the United Steelworkers of America that it was going to be a permanent shutdown. Will those 225 employees who qualify now be eligible for severance pay?

Hon. Mr. Elgie: Mr. Speaker, I guess it all depends on what the date of notice of termination was. If I may have that information, I will be pleased to have it reviewed by our legal staff.

Mr. Martel: Let me reiterate my question. The union was advised on January 19, 1981, that the closure was to become permanent. Therefore, will these workers be entitled to benefits? What assurance can the minister give us that they will get those benefits?

Hon. Mr. Elgie: I understood the question perfectly. I simply said it will depend on what the legal definition is regarding the date of termination.

Interjections.

Hon. Mr. Grossman: Imagine that; isn't that unusual!

Hon. Mr. Elgie: Imagine. Isn't that funny; it's very strange.

If the information is made available to me, I will be pleased to pursue it with the legal staff.

METRO POLICE COMPLAINTS PROJECT

Mr. Elston: Mr. Speaker, I have a question for the Solicitor General.

Can the Solicitor General confirm to the House what he expressed to me yesterday, that although he was quite concerned about bringing the police complaints bill for third reading and ultimate passage and he felt it was important in relation to the social problems in Toronto this summer, he is content to leave the public hearing process until late this fall?

Also, will the minister advise the House whether he has taken any steps at this time to alleviate any difficulties he might foresee in Toronto this summer?

Hon. Mr. McMurtry: As far as the bill itself is concerned, it is scheduled for second reading later today. Originally, we had hoped we might be able to have the standing committee on administration of justice review the bill and hear submissions from the public in September. We now hear that because of previous scheduling that will not be possible.

I think all members of the House agree that public input is important, and we do not see any reason to abbreviate that process, given the importance of the legislation.

Yesterday, I shared with the member what had been communicated to me by the Metropolitan Toronto council, particularly the Metro chairman and the chairman of the Metropolitan Toronto Police Commission. They said if the bill were to pass second reading they might establish some sort of skeleton operation modelled on the bill over the summer, which of course would not have the authority the Legislature will provide to this complaints commissioner and his office staff should the legislation pass. It might give an opportunity for various citizens' groups to assess the effectiveness of the individuals given the responsibility to process these complaints, and it might help clarify some of the issues before the justice committee hearings and before third reading. This is basically what we discussed, and I am happy to share it with the House.

3:10 p.m

Mr. Elston: Supplementary, Mr. Speaker: I wonder if the minister appreciates in the interim, while this skeleton operation is being put forward by the Metro Toronto council or whoever—or even on behalf of members of his ministry—that the citizens who are making complaints about police matters in Metropolitan Toronto will then have to be sure their problems are properly processed. They will have to be sure they go not only to the skeleton project but also to the procedure now in effect.

They may also have to take matters to legal redress in the courts to ensure they will be dealt with fairly. Does the minister not see a danger in putting the skeleton project in place when the Legislature has not sanctioned it and the people who are performing will not have the sanctions available to them when the legislation is finally passed?

Hon. Mr. McMurtry: There is perhaps a basic misunderstanding by the honourable member about the role of the board of police commissioners and Metropolitan council. We are not in

the position, short of legislation, to dictate to Metropolitan Toronto how it wants to deal with its citizens' complaints against the police. If Metropolitan Toronto wishes to make some changes over the summer that might be along the lines of the principle of this legislation, we certainly should not discourage it from so doing because it can do that with or without legislation.

As I indicated to the member, it seems to me it is probably something that should be encouraged because it is within its authority in any event. This might give citizens' groups an opportunity to assess the new system, at least to that limited extent, pending the passage of any legislation by this Legislature. I have to remind the honourable member the basic responsibility with respect to processing citizens' complaints against the police lies with the individual board of police commissioners. It is not up to us to play the role of Big Brother and say, "You should or should not try this." That is up to the board—

Mr. Sargent: That is a cop-out.

Hon. Mr. McMurtry: The member for Grey-Bruce (Mr. Sargent) does not have the vaguest idea what we are talking about. Why does he not—

Mr. Sargent: Mr. Speaker, on a point of privilege: This donkey who represents justice in this province is trying to stonewall us.

Interjections.

Mr. Speaker: Order, order. Mr. Solicitor General, do you want to continue? Final supplementary.

Mr. Sargent: Mr. Speaker, on a point of privilege: The minister says I do not know what they are talking about. I sure as hell do know what they are talking about. He should take that back.

Mr. Speaker: Order. Mr. Smith, final supplementary.

Mr. Smith: Mr. Speaker, the Solicitor General must understand the problems inherent in having Metro Toronto, under his encouragement, go ahead with a pilot project of the pilot project the Solicitor General has put before the House. Surely if there is such a rush that Metro Toronto cannot even wait for the legislation to come through this House—if the matter is so urgent it now has to set in force a group of people to pretend to do what this legislation presumably might accomplish in the future—why has he not spoken to the chief government whip

and arranged for the justice committee to deal with this matter before now; and certainly, why not in July and August?

If the urgency is such, surely, instead of encouraging Metro to set up a pilot project of the pilot project, it would be much wiser for the minister to encourage his members to get this matter heard with some dispatch and not wait until October. Either there is a rush or there is not. If there is a rush, let us do it quickly and hear it in July. If there is no rush should he not be discouraging this skeleton project, this attempt to do without legislation what many people feel would be wrong even with legislation?

Hon. Mr. McMurtry: Mr. Speaker, I am sure the Metropolitan Toronto council and the local police commission will make the right decision, preferably without any advice from the leader of the official opposition because I am sure if they paid any attention to him about anything they undertook it could only create problems. They do not need any advice from the member. It is as simple as that.

Mr. Sargent: Mr. Speaker, I have a point of privilege. That minister is showing total contempt for the Legislature. I demand a supplementary question.

Mr. Speaker: Order. That was clearly announced as a final supplementary. I am recognizing Mr. Cooke.

WINDSOR BUMPER DISPUTE

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour with regard to the situation involving the Windsor Bumper Division of Gulf and Western. I am sure he is aware it has now been settled and the plant will not close.

I would like to ask the minister's opinion of the behaviour of that company when in the last week it announced the plant closure twice, obviously as a blackmail tactic with the union. Also, when they negotiate with their American workers in Michigan they say, "If you take larger cuts in your cost-of-living allowance than the Canadian workers, you get the work." They say the same thing to the Canadian workers. Does the minister approve of that kind of blackmail behaviour on the part of a multinational?

Hon. Mr. Elgie: Mr. Speaker, in the midst of

all that I think at the beginning I heard congratulations on being able to achieve a settlement. I did hear that, did I not?

Mr. Cooke: No, he did not.

Hon. Mr. Elgie: Oh, the member did not mention that.

Interjections.

Hon. Mr. Elgie: No, we are on his side for leader now. Will the member for Scarborough West (Mr. R. F. Johnston) relax? We like him better. He can say nice things. The member for Scarborough West is never nice. But I know the member wanted to congratulate Mr. H. R. Illing, director of mediation services, for the wonderful job he did yesterday.

Mr. Cooke: You criticized the workers last week. That didn't bother you.

Hon. Mr. Elgie: No, I do not choose to get into the business of criticizing one side or the other. Each party has a right under the Labour Relations Act to take any claim regarding unfair labour practices to the Ontario Labour Relations Board. I do not propose to get into that game.

Ms. Copps: Supplementary, Mr. Speaker: In the same vein, I think the type of attitude exhibited in Windsor is the same type of attitude one sees in the white paper on the Workmen's Compensation Act. On page 14 it states, "If the worker is unemployed because he and his fellow employees have gone out on strike—"

Mr. Speaker: Order. Does the member have a question?

Ms. Copps: When will this government stop tolerating the kind of blackmail that is occurring in companies in Windsor and also within its own ministry in this type of legislation?

Hon. Mr. Elgie: Mr. Speaker, I want to assure the House that I have never even started beating my wife nor have we been blackmailing anybody. That is just nonsense.

Mr. Mackenzie: Supplementary, Mr. Speaker: I would like to draw the Minister of Labour's attention to remarks he made in the House about the unfortunate activities of the workers in taking over or attempting to take over part of that plant. I suggest that, given the obvious blackmail that company used, the settlement may have been more a result of those workers being willing to take over that plant than the initiatives his ministry took.

3:20 p.m.

Hon. Mr. Elgie: Mr. Speaker, I am not going

to get into the business of who did what. I think the member for Hamilton East knows full well the role that every party played. I have made it very clear what my views are about the sit-in or occupation of that plant. He knows I do not think that was an appropriate act or an act that brought credit on the trade union movement.

CN DERAILMENT

Mr. Eves: Mr. Speaker, I have a question for the Minister of the Environment. In view of the fact there was a derailment of a Canadian National train last evening in the village of Sundridge and in view of the fact that several of the cars that were derailed contained petroleum products, at least two of which exploded and burned, can the minister advise me what action his ministry is taking with respect to this matter?

Hon. Mr. Norton: Mr. Speaker, I can indicate at least on a preliminary basis what action has been taken by the staff of the ministry. As of the time of coming into the House today, I was not able to get a complete update because staff are still on site in Sundridge, I expect even at the present time.

Upon receipt of word of the derailment last night, the staff of the ministry responded immediately. They went to the site and have been there since in an attempt to determine what remedial action may have to be taken.

I would suggest that a number of steps have already been taken by the CN in terms of diking, for example, to prevent any of the fuels from entering the lake which is nearby. It is anticipated that soil removal will have to occur by way of cleanup and CN has assumed responsibility for that. Obviously an appropriate disposal site will have to be found for the soil which was contaminated by the fuels.

At the present time the best information I have is that there were no injuries and there is no ongoing hazard to human health, but there is the problem of the contaminated soil. When I receive further reports from the staff in the field, I will bring the honourable members up to date.

SYLVESTER COMPANIES

Mr. Peterson: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. I would like to ask him, in his capacity as chief regulator of corporations and also the person in charge of the Ontario Securities Commission, can he please tell this

House the result of his investigation into the Med-Lon and Arcturus small business development corporations?

Has the minister had consultations with his colleague the Minister of Revenue (Mr. Ashe)? Does the Minister of Consumer and Commercial Relations know what is going on there? Is there any chance of recovery of the \$2.5 million worth of taxpayers' money in those companies by way of grants through the small business development corporations? How many assets have been found there, and what is the status?

Hon. Mr. Walker: Mr. Speaker, I think the Minister of Revenue will be able to give specifics concerning the SBDCs and the extent they are involved with those companies.

In so far as the Ontario Securities Commission's investigations have been involved, they are continuing and ongoing and presumably those will be dealt with—the appropriate saying would be in the fullness of time.

Relative to the trust company itself, we are involved as a ministry in respect of the Loan and Trust Corporations Act, and our financial institutions people have been in there. There is no problem at all from that place. I am told they are as safe as 1,000 churches in terms of their capacity to deal with matters.

With respect to the two companies and whether or not the taxpayers' moneys will be coming back, I think there is every good reason to believe that resolution of the problem will be favourable to the province.

Mr. Peterson: Is the minister telling me the province is going to press ahead to try to collect back roughly \$2.5 million?

Is the minister redirecting? If so, I will put it to the Minister of Revenue directly.

Is the minister telling me that Ontario is going to press ahead right now to try to collect the \$2.5 million that was given by way of grants to those investors in the small business development corporation? How much of that money is still trusted? Will he have to proceed against the individuals? What exactly are his plans?

Hon. Mr. Ashe: Mr. Speaker, we are on top of the situation identified by the honourable member.

Under the Small Business Development Corporations Act, in fact under the Corporations Tax Act, there are many pieces of information that are considered confidential that I cannot disclose to the honourable member, or to this Legislature, at this time. I can tell him that negotiations have been carrying on between the

inspector appointed by the shareholders of the small business development corporations and the trust companies. It is anticipated—

Mr. Peterson: He is not an inspector. He is a business consultant. He has no official status before the government.

Hon. Mr. Ashe: The member may call him what he will. In terms of his designation that is his title.

There will quite possibly be a resolution of this unfortunate situation in the very near future. I think it is fair to say there could very well be some financial losses involved. I am not trying to belittle that. As far as our participation under the Small Business Development Corporations Act is concerned, we are involved in the process and no final decisions or disposition has been made of either the funds that have been paid out or the funds that are still held under trust.

Mr. Van Horne: Mr. Speaker, I would like to direct a supplementary to the Minister of Revenue. Has Ontario lost that \$2 million, or whatever the sum is, or is it the trust company? The rumour around the community is that the investors are going to end up settling for somewhere near 35 cents on the dollar. We just heard the Minister of Consumer and Commercial Affairs say everything was safe as a church. There seems to be some contradiction in these two statements.

Hon. Mr. Ashe: I do not think there is. The answer given by my colleague was that the trust company was, to use his words, as safe as a church. I do not think he intimated there would not be some financial losses involved and neither did I. They could very well be financial losses spread among not only the shareholders and the trust company, but also, indirectly, the province. Even that is not a fair conclusion because the Small Business Development Corporations Act was designed and set up to encourage people to get involved and make investments in small business.

We have always been abundantly clear that we were not intending to get involved in the management of small businesses and, generally speaking, these investments are speculative in nature. That is the reason behind the 30 per cent tax grant or tax credit, as the case may be. There is no doubt that, when people put up money, there is the opportunity for gain, but there is also the opportunity for loss. The 30 per cent enticement to generate more funds for the

benefit of small business recognizes that kind of an investment and that kind of a possibility of loss and/or gain.

CONDUCT OF QUESTION PERIOD

Mr. Swart: Mr. Speaker, I want to raise a question of privilege which I think is being seriously restricted. This is not new to the back-benchers in this House, and was raised at the beginning of the question period by my colleague the member for Downsview (Mr. Di Santo). I raise it now not just because today happens to be his birthday but because—with that kind of applause I would like to inform everybody here it is my birthday too—

Interjections.

Mr. Speaker: You do have a point of privilege?

Mr. Swart: Mr. Speaker, the restriction of the back-benchers' privileges to getting very few questions during the question period is serious and must be corrected. On at least one or two days they got no questions at all.

Please hear me out on this question of privilege. Section 27(e) of the standing orders states, "In putting an oral question, no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the member is not to debate the matter to which it refers."

3:30 p.m.

I suggest the problem here is that the ministers in replying go on at great length—in fact, they make statements and reply to every interjection. I humbly suggest that although you told my colleague to speak to the House leader of his party you have a responsibility to see the answers are shortened and that the back-benchers get more questions in.

This was possible, again I say respectfully, when the member for Lake Nipigon (Mr. Stokes) was in the chair, and I suggest that you take this under consideration.

Interjections.

Mr. Speaker: Order. Thank you. That is not really a point of privilege. However, it is a problem with which I have some sympathy. The problem quite simply is, and I say this respectfully, that all members on all sides of the House are guilty of taking too much time both in asking questions and in answering questions.

Having said that, I received a plaintive plea this afternoon, and it says quite clearly: "Mr.

Speaker, please restrain the leaders and the ministers. Stop the supplementaries. Protect the back-benchers."

I would suggest that this is a problem for each caucus to take under consideration. My only responsibility in this matter is to ration the time available as fairly and as equitably as I can.

Mr. Mancini: On a point of privilege, Mr. Speaker, concerning question period: It is my view that this session of the Legislature and the question period procedure that we have used has unfairly given the New Democratic Party more questions than they justly deserve. There is no way they should be allowed—

Interjections.

Mr. Speaker: Order. Order.

MOTION

COMMITTEE SITTING

Hon. Mr. Wells moved that the standing committee on social development be authorized to sit following routine proceedings on Friday, June 26, 1981, to consider the annual report of the Minister of Health for 1979-80.

Motion agreed to.

REPORT

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 90, An Act to establish the Ontario Waste Management Corporation.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for committee of the whole House.

PUBLIC OPINION POLLS

Mr. T. P. Reid: Mr. Speaker, before the next order I would like to rise on a point of order dealing with section 81 of the standing orders.

I think I have been more than patient with the House leader (Mr. Wells) and the government in terms of my question, which was originally placed on the Order Paper on May 19, 1981, dealing with public opinion polls and their tabling in the Legislature and the fact I maintain that since they are taken with taxpayers' money they should be made public.

Mr. Speaker, you will recall I mentioned this three or four days ago and the government House leader sort of waved his hand and said, "It is still about the middle of June." I know the flexibility of the government House leader but I think that even his flexibility would really not stretch to the last week in June. I wonder if we can be assured that not only my question, number 92, that has been on the Order Paper since May, but others on the Order Paper for this length of time will be answered.

Hon. Mr. Wells: Mr. Speaker, we will be glad to look into that. It is my impression that we are going to be around here for a few weeks yet, so I do not see any problem. I suggest to the member that we said we would get the answer around the middle of June and June is not over yet.

Mr. T.P. Reid: The middle of June is over.

INTRODUCTION OF BILLS

EDUCATION AMENDMENT ACT

Mr. Martel moved, seconded by Mr. Philip, first reading of Bill 130, An Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Martel: Mr. Speaker, the purpose of the bill is to authorize the apportionment of school rates between public and separate schools in the case of a mixed marriage, where the husband and wife own or lease rateable property jointly. It is time we got rid of this inequity with respect to women in this province.

PROHIBITION OF POSSESSION OF WILDLIFE IN ONTARIO ACT

Mr. Samis moved, seconded by Mr. Wildman, first reading of Bill 131, An Act to prohibit the Possession of Wildlife.

Motion agreed to.

An hon. member: It will do away with a lot of NDPers. There goes the NDP convention.

Mr. Samis: Mr. Speaker, despite the comments, the purpose of this bill is to prohibit the possession and sale of wild animals that are not native to Canada. Zoos, research facilities and humane society shelters are exempt from the prohibition.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the Orders of the Day, I wish to table the answers to

the following questions standing on the Notice Paper: 65, 67, 69 and 95. [See Hansard for Friday, June 26.]

ORDERS OF THE DAY

ESTIMATES

Hon. Mr. Wells moved, seconded by Hon. Mr. Welch, motion 6:

That further to the sequence and hours of estimates, as printed on today's Notice Paper, the following transfers be made: in standing committee on general government, there be added Government Services, four hours; Housing, 10 hours; Treasury and Economics, 13 hours; Transportation and Communications, 12 hours; in standing committee on social development, there be added Labour, 20 hours; also, in committee of supply, Northern Affairs be changed to 10 hours.

Hon. Mr. Wells: Of course, Mr. Speaker, in making these changes, the estimates would disappear from the committee under which the estimates now appear.

Motion agreed to.

3:40 p.m.

PUBLIC HOSPITALS AMENDMENT ACT

Hon. Mr. Timbrell moved second reading of Bill 113, An Act to amend the Public Hospitals Act.

Mr. Speaker: Shall the motion carry? Carried. No?

Mr. Nixon: Mr. Speaker, we do this every time. Normally the minister gets up and has a few words to say, so I do not think it is really fair to rush through the "Carried" business. If he does not want to speak, our critic would like to speak without having to have it presented to him that somehow or other he was not on his feet fast enough. This is an important bill. There is going to be an important debate. Let us get on with it.

Mr. Speaker: Yes, indeed. Mr. Timbrell.

Hon. Mr. Timbrell: Mr. Speaker—

Mr. Nixon: Oh, you are going to get up, are you?

Mr. Van Horne: Mr. Speaker, on a point of personal privilege: If we get into some kind of dispute because I am in error, I would like to point out that at the precise moment you stood and uttered those few words, I had delivered to me—I would have to assume from the minister—information pertaining to that bill.

There was confusion with the activity of the House and I think my House leader's point should be well taken.

Mr. Speaker: Thank you, Mr. Van Horne. Mr. Timbrell.

Hon. Mr. Timbrell: Last week, Mr. Speaker, members will recall that I introduced this amendment to the Public Hospitals Act. I would like to provide the honourable members with a brief background on the necessity for the bill.

Over the years, the public of Ontario has been very well served by our public hospitals and by the voluntary boards which are responsible for their operations. For a number of historical reasons, there are wide variations in the makeup of the boards, their corporate structures and their methods of functioning. In some cases, boards are elected by a broadly based community membership. Others have evolved from municipal or civic sponsorships. Still others are owned and operated by charitable organizations with internal corporate boards and sometimes with outside advisory councils. This is certainly true of some of the hospitals sponsored by religious orders.

We in Ontario have seen this variety as desirable—

Mr. J. A. Reed: Did you major in English?

Hon. Mr. Timbrell: No, I taught history. I did not have to speak English; I just taught history.

Mr. J. A. Reed: How did you get it across to your students?

Hon. Mr. Timbrell: Ask your nephew. I thought I taught him rather well.

Mr. J. A. Reed: He was an exceptional student. He learned in spite of you.

Hon. Mr. Timbrell: But he ran Social Credit, come to think of it. Somewhere I led him wrong.

Interjections.

Hon. Mr. Timbrell: Mr. Speaker, we in Ontario have seen this variety as desirable in that it draws solid support and involvement from people with diverse interests and associations. The record of public service from so many hospital trustees is one of the strengths of our system.

In the early days, many of these boards actually raised funds and built the hospitals with little or no government assistance. However, in more recent years, almost all hospitals have become public institutions, receiving almost complete operating funding and the majority of capital funding from the provincial government.

Since the general public, in addition to funding our network of 231 public hospitals, is wholly dependent on these same hospitals for the provision of quality health care, it is clear that there must be a mechanism to ensure ultimate responsibility and accountability to the public, both for quality and value for money. This, then, is the central issue of this legislation and this is an element that, because of the historical development of our system, is lacking. It is a gap in existing legislation which, with hindsight, we should have remedied before this. Five years ago, His Honour Judge Waisberg, in reviewing the problems which had developed up to that time at the Laurentian Hospital in Sudbury, recommended this kind of reform.

In our present situation as regards the report on the Toronto East General and Orthopaedic Hospital Incorporated, it has been made clear by the authors that the existing powers of intervention which they had as inspectors would be wholly inadequate to assure the public that the very serious problems relating to the structure, the functions and the operations of the administration are remedied. They also concluded that the hospital was unable to correct its problems without outside help. They therefore recommended, and I quote from the report:

"We therefore recommend that appropriate legislation be put in place so that steps can be taken to assist hospitals who find themselves in such a situation." I emphasize "hospitals," not just the Toronto East General Hospital. "It is further our opinion that such legislation will not, if used properly, detract from the principle of local autonomy but will assist in coping with situations which, if left unresolved, will or could seriously affect the quality of patient care provided by the hospitals."

I believe members will agree it is a cause for grave concern that there is no provision for public intervention to protect the general public interest and to ensure the continued provision of quality patient care and sound administration. A number of other provinces have legislation that is somewhat more rigorous than that proposed, namely the suspension or even the dismissal of the board in question. We evaluated those pieces of legislation in other provinces and we chose to opt for what we believe to be a more moderate and yet effective remedy, modelled on the well-established concept that has been part of the Ontario municipal legislation for many years, indeed many decades.

This will keep the board in place, but will establish a supervisor with powers to be exer-

cised on a gradual basis. His first responsibility will be to provide advice and guidance. Second, he will have the power to review and approve acts of the board. Finally, if the board fails to act on his advice, he has the necessary power to ensure compliance. This design then will enable a supervisor to assist and strengthen the management of the hospital while keeping the board functioning. The objective of the supervisor will be to establish the necessary procedures, policies and practices to ensure the effective functioning of the hospital and then to withdraw as soon as possible.

It is not the desire nor is it the purpose of the Ministry of Health, which I represent, to get into the business of directly operating public hospitals. It is my hope and firm belief that this procedure will be the rare exception rather than the rule. Yet the amendment is necessary to ensure that, in the event of serious problems, the public interest can be safeguarded and that ultimately public responsibility and accountability can and will be maintained.

In the exercise of legislation, a report of an inspector under the Public Hospitals Act will first be required. In the case of serious problems that could lead to the appointment of a supervisor under the act, it will be our policy to draw upon experienced and knowledgeable people from outside the Ministry of Health to fill the role of supervisor. While they will be appointed by order in council, they will not be permanent civil servants. This has been a point of concern to representatives of the hospital and medical associations to whom I have spoken, that they not be permanent civil servants who in their view—and they may well be right—would have a certain lack of objectivity or could not bring to such a position the necessary complete objectivity.

This will ensure there is no suggestion of bias in the proceedings and will, I trust, allay any fears that might exist to the effect that the government might assume excessive power over hospitals in an unfair way. We fully recognize the concern expressed by hospitals and physicians that such power to appoint supervisors should be exercised with care and sensitivity. In that regard, my critics have had delivered to them copies of some amendments to this amendment that I will propose once we get into committee and that I fully intend will address these very same concerns to which I have just referred.

The purpose of the amendments will be threefold. The first is housekeeping in nature

and makes it clear that this bill does pertain to the Toronto East General Hospital. The second ensures that the report of the investigator or investigators will be delivered to the chairman of the board. It was not clear in the—

Mr. McClellan: Would the minister say that again?

Hon. Mr. Timbrell: These were to be sent to the member. Did he not get them?

Mr. Van Horne: Mr. Speaker, on the question raised on this side of the floor, it came through to me—and I am sure to my colleague from the third party—that this would apply specifically to the Toronto East General Hospital. I believe that is what the minister said or certainly what he implied.

Hon. Mr. Timbrell: The purpose of it is to make clear that this amendment to the Public Hospitals Act applies to the Toronto East General Hospital. It has to do with the relationship of the timing of the appointment of a supervisor and the legislative authority for that, with the timing and the legislative authority for the original appointment of the inspectors, to make it clear the two mesh.

3:50 p.m.

Going on from there, the purpose of the additional amendments which I had sent to members are, as I started to say, first, to make it clear a copy of the report of the investigation will be delivered to the chairman of the board of the hospital. There was some concern the amendment as printed in Bill 113 did not ensure officials of the hospital would have access to the report and therefore be able to comment on it and offer suggestions.

The third of the three amendments ensures that 30 days will have elapsed between the point the report is completed and the earliest point at which the Lieutenant Governor in Council can consider the appointment of a supervisor.

This arises from discussions I have had with members opposite as well as with a number of people representing themselves or professional organizations outside the Legislature who are concerned. There is a general concern about the potential for abuse of this authority.

I have submitted to them that by ensuring this 30-day—call it what one will, I will call it a cooling-off period—there will be full opportunity for the board of the hospital, the medical staff, various other professional groups in the employ of the hospital, the community, members of the Legislature, whoever is interested in the case in question, to make their representa-

tions, to state their cases and to try to prevail on the minister to consider the exercise of other alternatives than the appointment of a supervisor.

Therefore, the earliest point at which I or any of my successors could possibly go to cabinet and seek the appointment of a supervisor would be 30 days after the completion of the report. This is an effective check or balance in the system to ensure everyone will have—

Mr. McClellan: A cooling-off period for the ministry.

Hon. Mr. Timbrell: For whomever. These concerns have been expressed to me. Neither I nor my administration in the Ministry of Health would abuse the authority this legislation conveys on us. I felt it was important we show even more tangibly we are prepared to ensure there will be time for discussion and the presentation of alternatives before this authority would even be considered. When we get to committee, I will be proposing those three amendments.

I thank the member for Bellwoods (Mr. McClellan) for sending me a copy of what he is going to propose as well. My decision to propose these amendments was in no small way based on discussions with the two opposition critics who may oppose the bill and may have other amendments to propose. I have tried to understand and acknowledge their concerns in this amendment I am proposing.

Further, we wish to assure everyone we are prepared to consult with the Ontario Hospital Association and the Ontario Medical Association about the best course of action in any future situation where the implementation of an investigator's report is being considered. That again underscores the reasons for at least two of the three amendments I intend to move in committee.

In conclusion, the issue here is one of ensuring public responsibility and accountability for extremely important and critically essential public institutions. So I ask for the support of all members of this House in approving the Public Hospitals Amendment Act and the amendments I will move in committee under Bill 113.

Mr. Van Horne: Mr. Speaker, it is with some mixed emotion that I speak to this bill because I know there is a change in the way hospital boards have to act now as compared with the responsibility they had before government was quite so involved with the overall health care

service in our province. If one does not acknowledge that their view has to change with changing times, then I think one has a very narrow view.

I say that from one stance or view of this particular legislation and yet, at the same time, I have to say that what is being suggested here is so broad that it really presents problems to me. Although again I see some need, I see on the other hand that what is being provided to accommodate this need is a lot more than should exist.

I think I can build a case for what I say if I take a look at the past history, as did the minister, with a view to seeing how important voluntary boards are to the health care system in this province.

It has been said by many who visit our province, and certainly by us here in Ontario, that we are blessed with the best health care system in the entire western hemisphere, if not in the world. I think we in Ontario take considerable pride in that system, but we cannot forget that system developed through, at least in part, the efforts of a lot of people out there in the community who worked as volunteer members on boards having nothing more or less in mind than good health care service.

Some of those people who have been involved with hospitals for many years have spoken to me in this last week expressing dismay that Bill 113 erodes this process I am speaking so highly of, this voluntary service process. It detracts from local autonomy. I have had people ask me what incentive there is to serve if they are going to be completely and totally overseen by government.

The minister was careful to point out that the supervisor would not necessarily be a permanent civil servant, but I would have to submit to him that whether he is or is not a permanent civil servant, or a person seconded into the ministry for the period of time, as we are obviously going to have with the Toronto East General Hospital supervisor being seconded out of Mount Sinai, that person does take on the role of government, be he a permanent civil servant or someone who is there on an interim basis. So that concern of government being too involved I think is an honest concern.

We cannot forget that we are seeing erosion. One has to ask why such a drastic step is necessary, given the glowing comments of praise and commendation passed on to volunteer boards and health councils in the last few years. When we look through some of the speeches and comments made by the minister, I

do not think there is any question but that he is very proud of what he calls this series of partnerships, this effective work within the community. I am quoting now from some of his statements just within the last two years. I do not want to go into all of the details because I am sure I could keep the House going for at least another day if I repeated all of the glowing comments that he made about the wonderful work done by these volunteer boards.

4 p.m.

Even the people who wrote the report on the Toronto East General Hospital say to us on page 63, as they were summing up their efforts: "The review committee strongly supports the principle of local autonomy in the operation of Ontario public hospitals. The hospital system in this province is considered to be one of the best in the world, and has reached its present level of excellence because of the joint efforts of local hospital boards and the provincial government working together as partners. It is our firm conviction that this relationship should continue and that nothing should be done to detract from the role of the local hospital board in the administration of their hospitals."

The feeling expressed there is the feeling that people have when they tell me now that to do anything such as is proposed in this bill would take away from this local autonomy.

Hon. Mr. Timbrell: Read on.

Mr. Van Horne: The minister interjects and says, "Read on"; and there is a "however."

"However, there may be situations where problems associated with a hospital are of such overwhelming magnitude that the resolution of them requires intervention, in the public interest, by the provincial authority to solve the problem."

We do not dispute that, but we are suggesting that to have this piece of all-encompassing, ombudsman legislation is much more than is needed. The minister—and I am paraphrasing, and I may be taking one or two words slightly off the theme that he was addressing—indicated that this would be used only in the rare exceptional case. If that is true, why does he need such an omnibus bill? Why could this bill simply not address itself to the Toronto East General and Orthopaedic Hospital?

If I can take the liberty, as the minister did, to make reference to amendments, we are having amendments prepared, to send him a copy and to send my friends from the third party a copy in a very few minutes, which suggest that this bill

be amended to address itself simply and singularly to that particular hospital. If it is needed again for another hospital—and our rationale, I think, is quite reasonable and quite understandable—then a similar bill can be brought in.

There is no particular magic with this, but we feel this type of amendment would achieve the goal that has been there for some time—not just our goal but the ministry's goal—to recognize this local autonomy, and not, as with this piece of legislation, to walk in and wipe it out of every one of our 231 hospitals here in Ontario. That is essentially what this does. It does not address itself just to the one hospital; it wipes out the local autonomy, the feeling of satisfaction that people get from doing their bit to help their community. It just wipes that out of those other 200-odd hospitals in our province.

That kind of legislation is far too broad, and it is a form of legislation we simply cannot accept. Therefore, we too will be suggesting an amendment, the amendment being that Bill 113 be addressed singularly to Toronto East General and Orthopaedic Hospital.

When I say this I have to make reference to concerned groups, again as the minister did, in regard to this legislation. I am going to take the liberty of making reference to the Hospital Council of Metropolitan Toronto and the second page of a letter of concern that they sent to the minister dated June 18. It says in part that the Hospital Council of Metropolitan Toronto "believes in the role of the trustee and strongly endorses the voluntary support so generously given by the business and community leaders of Metropolitan Toronto." I do not think it is suggesting that it fully endorses Bill 113.

Let me quote further from a letter that we received this afternoon from the Ontario Medical Association, which says in part that that association "is opposed to the passage of Bill 113. The association contends that the passage of the bill would seriously undermine the historic autonomy of community-based boards or corporations of hospitals which have served the people of Ontario so long and so well."

I said at the outset that one has to keep one's eye on changing times. I agree with the minister that there is a problem at that particular hospital that is redressed through this legislation. But, again, we cannot support this ombudsman type of legislation addressing itself to potentially every hospital in the province with no recourse through this particular chamber for people such as those in the Ontario Medical Association or in the Ontario Hospital Association to have the opportunity to express their concerns.

I have to remind the members that once this has passed we have passed the buck totally into the hands of government.

The minister made reference to the situation that concerned all of us regarding the Laurentian Hospital in Sudbury a few years ago. The specific reference was to Judge Waisberg's report, the public inquiry into Laurentian Hospital, Sudbury. I think it is interesting to note when one looks through the recommendations of that report—it is a very big document, which I have in front of me; it is more than 230 pages long—that he makes reference to problems such as this and states: "The Ministry of Health should be given the legal power to intervene in, or temporarily take over the management of, public hospital corporations which are persistently in fiscal difficulties."

The implication is that he is not giving the government a broad brush but he is saying it should be there for cases in which it is needed. That is the thrust of the recommendation we are making. There are problems that come up from time to time in hospitals. I do not think anyone can deny that; we are not trying to deny it.

The legislation we have in front of us now could have come along and accommodated the problem in Sudbury. Here we are five or six years down the line; the same thing could have been brought in to accommodate the problem that we have in Toronto East General.

By the way, maybe we should take a moment to look at the problems that existed at that hospital and see how they were investigated by the government. The government simply took what it had—that is, the existing legislation—and applied the power of that legislation to appoint the three gentlemen who wrote that report. While we are at it, I have to make a reference to the gentlemen, one of whom is from my community, London, Ontario, Mr. Pat Blewett. The other two gentlemen I do not know, but I am sure Mr. Clark from Windsor and Dr. Wadsworth from Vancouver are also commendable men. They are very talented and did a good job.

The point is that there was no particular action required within this assembly to put them to the task. The existing legislation was adequate. They were able to go in. They were able to take a look at things. Now they have drawn to the attention of the ministry not only what they consider to be the problems but also some solutions, and what they are suggesting directs itself again to that hospital.

It might well be a good exercise for us to

consider some alternatives that would come out of this. I may have lost the page here, but there is a reference to the ombudsman approach within the health delivery system. If the minister put his mind to it, I think that would be a much better way of accommodating problems within hospitals and hospital boards than to come up again with the legislation we have in Bill 113.

When we look at the legislation, the bill as it stands in front of us, there are questions that come to mind. The first question is when the Lieutenant Governor in Council may appoint one or more investigators; that is the trigger, the thing that gets this whole process rolling. On what evidence—and this is the concern that some people have in the Ontario Hospital Association and the Ontario Medical Association—and how frivolously might this be applied?

4:10 p.m.

Certainly the minister, who I think has the regard and respect of a fair number of people in the health delivery system across the province, has to wonder what happens when the day comes and he moves on to that big chariot, the Big Blue Machine driver's wheel. If he is going to aspire to be the leader, or if he is going to be moved to another ministry—the rumours are rampant, and he knows it; there is considerable discussion around the back rooms of this place about which ministry the Minister of Health is going to—if he moves on, what happens? How frivolously might this particular legislation be applied?

We have another concern, the provision of the supervisor. I think the minister indicated that the supervisor would be withdrawn as soon as possible. But there is a bit of vagueness there that concerns me and tells me that, even though we hear that this legislation was written before the report came out—that is a nasty thing to say, and the minister is shaking his head—somewhere along the way people had to have some inkling of this kind of legislation, whether all the t's were crossed and the i's dotted.

The question still comes, for how long will the supervisor be provided? Beyond that, what about the board that has to take this supervisor? It is told simply that it is its duty to receive the advice, that is it. The supervisor says what he or she feels has to be said, and the board has no choice. Again, they talk about local autonomy and then move in a supervisor who can tell the rest of the board exactly what to do. The members of the board must receive that advice. What is left? They might as well pack their bags and go home.

I will conclude by saying that we cannot support the legislation as it exists. We feel it should be amended and, of course, amendments can only be made when the bill is referred to committee. It is our hope to see it go to committee, to have considerable further discussion and to see the amendments accepted as we present them.

I made the suggestion a few moments ago that the ombudsman theme is one the minister might consider. All of us concerned with the health system here in Ontario are very much aware of the recent series in one of the major newspapers here in Toronto concerning the overall hospital care system in Ontario. It suggests that for months questions have arisen about the quality and availability of health care here in Ontario.

Doctors and hospital administrators frequently say the Ontario government has cut back so severely on hospital budgets that hospitals cannot buy or replace equipment they need. They have to reduce non-nursing or nonmedical staff in some instances. All kinds of questions were raised in our minds by that series of articles, questions we have raised in this chamber and in the estimates rooms on occasion for the last few years.

The newspaper that carried that series, the Toronto Star, ended up by editorializing and suggesting there is a way of accommodating these concerns. We empathize with the minister, who must feel on occasion like a punching bag when he comes out of cabinet meetings, having been attacked by his colleagues when it comes time to share the dollar pie they have to share. The health service system here in Ontario takes the lion's share of that, and he is being harassed from the other side by the various demands from hospitals and from other areas for the moneys that he has to distribute.

We know there is a problem there, but he alone is not able to answer those problems. Quite candidly, I am not sure his administrative staff can. As dedicated as they are, I have to be a little concerned about their singular ability to see their way out of the many tunnels they fall into each day.

The editorial concludes with the suggestion that there should be an investigation of the highest order. That investigation, of course, would be a royal commission. It may be time to urge the minister to take that kind of approach to redressing the various problems that we have in our health care delivery here in Ontario. It may well be that kind of approach would provide answers for us that would give us

something to build on through the 1980s and 1990s and remove us from the situation we are in right now, which seems to be a situation where we are governing by crisis. We seem to go from crisis to crisis. This legislation may well not be necessary and may not have been necessary had we used the tool of the royal commission.

Let me conclude by saying that although we are cognizant of problems the ministry has to face, we are also very concerned that local autonomy not be hammered into the graveyard with omnibus legislation that eats away at that local autonomy. Let this bill address itself singularly to Toronto East General. The hospitals in this province of ours are generally very well looked after by their voluntary boards and other boards. If there is another problem that we see in a year, two years or three, we can deal with it through another piece of legislation.

Mr. McClellan: Mr. Speaker, first I want to set out our own position on Bill 113. The New Democratic Party intends to oppose the bill on second reading, and we will move an amendment when the bill goes into committee of the whole House. The purpose of that amendment would be to restrict the application of the bill specifically to Toronto East General Hospital.

We do not believe the government should be given the power to place any hospital in Ontario under trusteeship through blanket or omnibus legislation. Our position is that if it is shown there are problems of such severity in an individual hospital that they require the emergency step of imposing trusteeship, then the minister must approach the Legislature on each and every specific instance and ask for that power and try to justify it.

We are not going to give this minister or any other minister that kind of blanket power. Let us not kid ourselves about the nature of the power we are talking about. I do not have the minister's statement in front of me, and I will not say he soft-pedalled the strength of the powers that are vested in him and the government under Bill 113; but, in the way he expressed himself, I think he softened them a little bit in his description of them.

It is absolute power the minister is asking for. He is asking for the power to appoint a supervisor, who is a trustee. The supervisor will have the power to require the board to have each and every one of its actions approved by the supervisor before it becomes valid. No act of the board of the hospital is valid unless approved

in writing by the hospital supervisor, period. That is trusteeship. There is no other way of describing it.

4:20 p.m.

The supervisor can require the hospital board to do any act that a public hospital is empowered to do under the Public Hospitals Act and regulations. That is complete trusteeship. The Ontario Medical Association, in its letter of June 25, refers to the bill as vesting "dictatorial power in government."

Let us not have any misunderstanding about the nature of the power the minister is asking for: it is complete power over the running of a hospital, to be exercised by an agent of the minister, called the hospital supervisor, to be appointed by the Lieutenant Governor in Council.

Not to belabour the point, we are not going to give the government that power on a blanket basis. If they want it—and I think the minister and the government should understand this—they should approach the Legislature each and every time they need this kind of power.

The second thing I want to address in my second reading remarks is the question of the problems at the Toronto East General Hospital and the cause of some of those problems. The question remains begged as to which problems the minister intends to address through Bill 113 and which problems he intends to continue to ignore. I hope the minister does not expect any of us to believe that all the problems at Toronto East General are attributable to the board of directors, because that is not a fair thing to say. Many of the problems lie on the doorstep of the Minister of Health himself.

Hon. Mr. Timbrell: Read the report.

Mr. McClellan: I have read the report many times. I do not need any gratuitous comments from the minister to read the report. I will be happy to read the report again. I find it a very good report, and I will read it again, but I have read it carefully.

I read the section dealing with the emergency department at the Toronto East General. I read that the emergency department is closed from time to time because it becomes too busy. I read that the emergency department is overcrowded. I read that in the emergency department there is a long wait on too many occasions when patients are waiting for admission to active treatment beds. I read that the emergency department is too small and the physical facilities are inadequate.

I read all that in the report. I read as well that there are 130 patients at Toronto East General Hospital at any given time who require long-term institutional care but who are in active treatment beds. Who is responsible for that? Not the board of directors of Toronto East General Hospital, but the Minister of Health.

How many times has the need for chronic care beds in Metropolitan Toronto and throughout the province been brought to the Minister of Health's attention? How many times has the minister promised to increase the ratio of chronic care beds in relation to active treatment beds? A thousand times? How many false and broken promises have been made by the Minister of Health?

Hon. Mr. Timbrell: None.

Mr. McClellan: I recall the minister promised in 1980 that in excess of 3,000 chronic-care beds would be opened; I do not have the exact figure, but I can look it up in the files. That was in response to a written question on the Notice Paper: for 1980, open and planned, in excess of 3,000 beds.

Hon. Mr. Timbrell: Mr. Speaker, on a point of order: If the member will take the time to look at the question as asked and answered, he will see it talks about beds open and planned; it did not refer just to 1980. With respect, the honourable member is mistaken.

Mr. McClellan: No, the honourable member is not mistaken. The question was tabled in the House on December 12, 1980. The question read, "Will the Minister of Health indicate the total number of active treatment beds by individual county?" He refused to answer that.

Hon. Mr. Timbrell: It is not broken out that way.

Mr. McClellan: It is broken out the way the minister wants to break it out. He has two systems of breaking it out: before an election and after an election. Before the election, the count is significantly higher than it turns out to be after the election.

The minister says I am wrong. I am simply reading his figures. In 1980, "To date, open and planned number of beds: chronic, 14,138 as of December 12, 1980."

Hon. Mr. Timbrell: Open and planned.

Mr. McClellan: Planned over what period of time? Is that a century span?

Hon. Mr. Timbrell: Into the future.

Mr. McClellan: Into the future, yes—far into the future.

Mr. Gillies: Wrong again.

Mr. McClellan: I am just quoting the minister's numbers. If the minister says I am wrong, all he has to do is—

Mr. Breaugh: Do you think we are wrong to believe the minister? I might agree with that.

The Acting Speaker (Mr. Cousens): Order. Mr. McClellan has the floor.

Mr. McClellan: Leaving aside the question of open and planned, let us go back to March 31, 1979, to hospital and extended care beds—and that is the number of beds as at March 31, 1979. That is not open and planned; that is open. As of March 31, 1979, the number of chronic care beds was 10,820. Two years later, the number of chronic care beds as of March 31, 1981, was 9,859. What a marvellous accomplishment!

Hon. Mr. Timbrell: The member is not comparing apples and apples.

Mr. McClellan: I am just using the minister's figures from his annual report and answers to questions tabled in the House. I thought a hospital bed was a hospital bed, and I thought a chronic care hospital bed was a chronic care hospital bed. Obviously they are not. I await the minister's fun with figures. He promised it a week and a half ago, and his minions have still not been able to unscramble the stew.

Hon. Mr. Timbrell: I will accept the member's apology.

Mr. McClellan: I am just quoting the minister's figures. I do not have anything to apologize for. If the figures are wrong, does the minister want me to apologize for reading his own figures?

Hon. Mr. Timbrell: If our figures are wrong, I will say so—and I expect you to apologize if they are right.

Mr. McClellan: I am just reading the minister's figures. I cannot apologize because the minister's figures are wrong. The point is—

The Acting Speaker: Order.

Mr. McClellan: I am sure you are beginning to wonder what the point is, Mr. Speaker.

The Acting Speaker: Mr. McClellan has the floor. Will you please continue without the interruptions?

Mr. McClellan: The point is that the Ministry of Health has been told and warned time and time again that there is a critical shortage of chronic care beds, that it is causing terrible problems in our hospitals and that it is resulting in backups, closures, overcrowding and long

waits in emergency departments. We have the example of the Toronto East General Hospital before us today.

What has the Ministry of Health done? Nothing. According to the ministry's own figures, the number of chronic care beds has declined over the last two years.

Hon. Mr. Timbrell: Wrong.

Mr. McClellan: I am not wrong; I am right. The minister is wrong.

In September 1980, the report of the long-term care needs committee of the Hospital Council of Metropolitan Toronto cited an immediate need, as of 1980, for 2,070 extra long-term care beds in Metropolitan Toronto alone. Some of us remember what the Minister of Health said when that report was made public. He denied that was a statement of current need, despite the fact that it was clearly set out in the report that the figure of 2,070 was the need as of 1980 and was responsible for a terrible backlog and jamup within the hospital system.

The minister tried to weasel out and said, "No, that is a five-year need forecast." It is not. There is no way one can read that report and come to the conclusion that the authors were talking about a five-year need. They were talking about the need for 2,070 beds as of 1980, and they had additional bed needs identified to cover the period to 1985.

4:30 p.m.

The minister pretends there is no problem. He tries to pass the buck on to a hospital that obviously has serious management problems. He passes the buck on to that hospital to try to cover up his own failures as Minister of Health.

He is not going to improve things by continuing to pretend there are no problems or that he has done things he has not done; that he has opened chronic care beds he has not opened; that problems do not exist that obviously do exist; and that reports do not say there is an urgent need for X beds when they do say that.

How does he serve his office by that kind of performance? It is beyond belief that this kind of performance, which has so consistently characterized his tenure in office, is going to lead to anything but the problems identified in the report on the Toronto East General Hospital.

There are problems that will not go away by the imposition of a trustee on the Toronto East

General Hospital. That is not going to solve the problems the minister has created by the failure to build sufficient chronic care beds.

Mr. Ruprecht: That is not the only problem he created. Look at Parkdale.

Hon. Mr. Timbrell: I am not responsible for you.

Interjections.

The Acting Speaker: Order.

Mr. McClellan: I am sure there is only one point on the face of this earth on which I agree with the Minister of Health, and that was just it. But I still support the member for Parkdale (Mr. Ruprecht) as leader of the Liberal Party. I want to make that absolutely clear.

The Acting Speaker: On Bill 113, please.

Mr. McClellan: On Bill 113: The Hospital Council of Metropolitan Toronto in a letter to the minister dated June 18, 1981, has simply restated in a very concise and clear way the point I have been trying to make, perhaps somewhat discursively. I quote the second numbered point in that letter:

"As far back as 1975, and as recently as October 1980, this council noted a substantial need for more long-term care beds in Metropolitan Toronto and identified the need for a further comprehensive study. While your ministry may question the total number of beds required, the need remains critical."

The letter goes on to say, dealing again with the problem of emergency departments in Metropolitan Toronto:

"In November 1980, a request was made to your ministry for funds to conduct a study to plan the development of a co-ordinated emergency services network in Metropolitan Toronto, which would involve classifying the capabilities of emergency departments and developing an emergency medical services communications system. To date, our proposal has not been acknowledged."

The proposal has not even been acknowledged, as of June 18. I am sure the minister will whip out his letter of acknowledgement, which will be dated subsequent to June 18, or perhaps even backdated. But the reality is—

Hon. Mr. Timbrell: I will read my answer into the record.

Mr. McClellan: I know he will. He does not vary his shtick at all. He waits until problems have become crises, until the correspondence is public, and then he initiates some kind of token response. That is simply not good enough.

The problems in the emergency department at Toronto East General are not unique to that hospital. We have tried to make that point over the last couple of weeks. Those problems characterize a number of hospitals in Metropolitan Toronto and throughout the province. They are caused by the same set of factors I have been talking about, which the Minister of Health has refused to deal with. He hopes people will be distracted from them by this imposition of a trusteeship.

There are obviously other problems at the Toronto East General and Orthopaedic Hospital that speak to very bad management, and I do not want to minimize these. There are very, very serious problems at the East General, and I am not denying that. That is evident from the report. There is evidence of poor management in the blood bank, evidence—and I think this is of most personal concern—of what the authors of the report refer to as “poor nursing care.”

To read that section on nursing care is to wonder what is really happening in that hospital. I do not think there is anything in the report that is as upsetting as allegations of what is basically cruel and callous treatment of patients. That in itself, I think, would partially or almost completely justify the kind of severe measure this bill represents.

Third, there is obviously a serious problem within the medical care staff with respect to communications with patients. The problem identified as a not infrequent problem was that people had enormous difficulty at this hospital in getting clear information about the medical condition of their relatives who were patients. From that problem flowed the recommendation for an ombudsman.

Again I do not know what happened to the recommendation for an ombudsman. That is not dealt with in this bill. I think it is an idea that has a lot of merit. I would like to hear the minister comment on it and tell us whether it is part of the program of the hospital supervisor for the Toronto East General and Orthopaedic Hospital that some of the specific recommendations in the report will be implemented.

For example, the ombudsman: Is it the intention that the supervisor will establish an ombudsman function at that hospital? For example, the ambulatory care unit to ease some of the pressure on the emergency department: Is it the intention that the ministry will make that service available? Perhaps the minister would be so kind as to go through, at least in an illustrative way, some of the principal recom-

mendations of the report, the specific recommendations designed to alleviate specific problems, and tell us whether the hospital supervisor will have a mandate to make sure those services and programs are actually put into place.

The final point I want to deal with is the question of the board of directors and the allegations of conflict of interest. The report itself, I think it is fair to say, is rather ambiguous in dealing with the problems of conflict of interest.

For example, the matter of the chairman of the board who was also supplying food services to the hospital: The report, as I understand it, indicated under the rubric of conflict of interest—I believe that is how they dealt with the issue—that this did not really represent a conflict of interest; they said rather that, on balance, the hospital benefited from the relationship more, perhaps, than the chairman of the board.

I do not think that is a very healthy situation. I suspect the minister agrees with me. I do not want to make any allegations with respect to the financial aspect of that relationship, but a conflict of interest is a conflict of interest. There should be provisions in the bylaws of any public institution that prevent the members of a board of a public corporation from engaging in financial or business transactions with the agency on whose board they sit. I think that should be a simple law, quite frankly.

It is a very unhealthy situation where people can sit on the board of a public hospital and boast that their firm has been supplying food to this hospital for 50 years or that they are providing a first-class banking system and therefore, because they are such great bankers, they have a right to sit on the board of directors. This lowers the standards of public morality in this province when that kind of clear confusion with respect to what represents a conflict of interest is allowed to perpetuate itself and justify itself without any real reprimand and obviously with no sanction.

4:40 p.m.

There were allegations in the report that involved conflict of interest of a number of board members—nepotism in the allocation of jobs, and one instance of the use of a medical photography department for a private photography business. Because of the number of allegations, I would have thought there would have been something in this bill that would have toughened up the bylaw section of the Public Hospitals Act. I thought there would have been something that would have required members

of a board of directors to abstain on matters in which they had a direct interest and prevent members of the board from continuing to serve on a board where there is a clear financial or business relationship with that philanthropic corporation, in this case hospitals.

I would be interested to hear some response on that from the Minister of Health. I think that is an important defect in the legislation and I am curious to know whether the minister intends to deal with that simply by the program or actions of the hospital supervisor requiring the Toronto East General to change its bylaws, as I suspect. Will the minister tell us whether he would not agree it might make more sense to change the Public Hospitals Act to make sure hospital bylaws are required to have a clear conflict of interest provision? He should also set that out in the regulation.

Ultimately, the issue comes down to one of trust, I think, and I regret to have to say it but I don't think we trust this government with the kinds of powers that Bill 113 would vest in it. As far as we are concerned the relationship between the government and the hospitals it funds leaves a lot to be desired.

My colleague from Renfrew North (Mr. Conway) can testify to this. We have gone through the experience many times of talking to hospital administrators and having them tell us their problems in confidence, only to find that when they come to testify before the standing committee on social development they are very reluctant to repeat what they said in confidence.

I refer to an editorial in the *Toronto Star* dated June 13, 1981. This editorial was written at the conclusion of a series of feature articles the *Toronto Star* did on the problems in the health care system. The editorial begins: "Ontario hospitals say their negotiations for funds with the health minister are a matter of constant dispute, but many hospital administrators say giving the *Star* details of these conflicts could bring reprisals."

So several hospital officials agreed to give the *Star* a composite picture of their problems. That is a pretty sad commentary on the relationship between the Ontario Ministry of Health and our public hospitals. They are afraid to speak openly and candidly for fear of reprisals and I think we have seen in the past some evidence of the heaviness of those reprisals.

We would be afraid—I will express this fear very bluntly and very directly—that if a government had this kind of power to put a hospital into trusteeship there would be nothing to stop

the government from successfully completing the kind of campaign for hospital closure that it undertook in the mid-1970s. That kind of pressure upon hospitals would give the government complete leverage to impose its will, at will, on hospitals. We feel no hospital would have the independent capacity to speak out against a planned health rationalization program for a particular district, that the Minister of Health, in this legislation, has the power to exercise this kind of clout to strip them of every vestige of independent decision-making and to impose his own agent upon them.

The minister can frown and shake his head and say, "No, this is not what we are contemplating"; and maybe it is not what the incumbent is contemplating, but I do not think any government asks its Legislature to give, at these times, omnibus power with no evidence that it is required under a specific instance referenced in an investigative report. For that reason and the reasons I have set out we do not intend to support the bill on second reading.

Mr. Gordon: Mr. Speaker, the point of particular interest I would like to underscore for the honourable members on the other side is that the need for reform similar to the Public Hospitals Amendment Act was clearly identified fully five years ago in a review of Laurentian Hospital in my riding of Sudbury. As the minister has so well stated, the absence of this amendment is a gap in legislation that could have and should have been remedied before now. Nevertheless, I would like to offer some brief thoughts of my own on what the minister has said about our health system.

There is no doubt it was, and still is, able to operate with a minimum of government supervision. The ministry provides only a limited number of services directly. Instead, we believe strongly in the principle of local autonomy and responsibility for the delivery of services. Our job in government is the ultimate responsibility to ensure the health care system runs smoothly, that certain standards of care are maintained at as reasonable a cost as possible. We feel the provision of health care services remains, on balance, the most effective that can be found anywhere.

Notwithstanding all this, the ministry has been very conscious of the fact that we, through the present Public Hospitals Act, have lacked the ability to act with authority in the event of extraordinary circumstances. We have seen this inability to move swiftly when it may be absolutely required as a deficiency in the act.

Given the high standards maintained in our system, we have never felt the pressing need to rectify this deficiency.

However, when the problems at Toronto East General Hospital became known to us, and subsequently the report was released, the Minister of Health and the Deputy Minister of Health concluded that the ministry's assistance would be appropriate. The inspectors of the East General report were asked by the minister if the hospital was able to correct its problems without outside help. They said no.

The honourable members heard the minister quote from the inspectors' report in which they recommend that appropriate legislation should be put in place so that steps could be taken to assist hospitals in the event of such extreme situations. This led to the decision to introduce the Public Hospitals Amendment Act, to enable government action where the quality of management, or the quality of patient care, is in jeopardy.

4:50 p.m.

The members have had the opportunity to read the Toronto East General report and will have noted the major problems as long-standing, unsound management practices, ineffectiveness of the board of governors in its actions and the absence of definitive operational policies, particularly in the emergency and blood bank departments. These factors led to a gradual decline in hospital staff morale and the problems by staff in the care of patients. These matters accounted for our deepest concern, that of patient safety.

As serious as the ministry feels this is, however, we have identified certain criteria which must be established before the Lieutenant Governor in Council would be allowed to act on our proposed legislation. There would first have to be a special investigation to look at the quality of the hospital administration and the care and treatment of patients in the hospitals. Depending on the findings of the investigator's report on these subjects, the government could appoint a provincial hospital supervisor or supervisors.

I would remind this House that the Legislatures in Alberta, British Columbia and Quebec now have legislation to employ in emergency circumstances. In Ontario, there are a number of instances where even other ministries of the government, as well as other levels of government, may take action to remedy problems in a variety of organizations. Ontario has lagged behind compared with other provinces in the enactment of emergency health legislation.

As the minister told the media last week, the real test of this proposed bill is going to be the frequency of its use. We anticipate it will be very rare and only when clear grounds, as with the Toronto East General Hospital, are established.

If this ministry is ultimately responsible for the funding and quality of the health system, it is clearly an abdication of that trust not to have provision for emergencies as they arise, no matter how infrequently. The present Public Hospitals Act allows us to do no more than identify problem areas through the appointment of inspectors. It does not enable us to take action.

The proposed Public Hospitals Amendment Act would give power to ministry-appointed supervisors, but even then only on a graduated basis. Initially, the supervisor would offer advice and guidance to the board and to the administrator of the specific hospital. Should they fail to heed his advice, only then can he act on their behalf.

During his term, no action of the hospital board would be considered valid without the written approval of the appointee who would also have complete access to all records and documents. He would be accountable for his actions at all times to the minister who may ask the supervisor to report as often as he feels it is necessary.

We feel the approach of this legislation would enable the government to give expert assistance to board members without those board members losing enthusiasm for or dedication to their tasks or, most important, losing the confidence the community has placed in them.

There has been some concern we could have proceeded in a different way in resolving the situation. Given the Toronto East General's affair, it is apparent hospitals may not always be able to solve their problems internally. Also, given the inadequacy of our current legislation in covering this contingency, the government has concluded the only really effective approach is to proceed with this proposed bill. In our view it is wise to have the option available to permit the government to move fairly quickly as is required from time to time.

We recognize the concerns expressed by hospitals and physicians that the new powers to appoint supervisors should be exercised with great care and sensitivity—something which members over there are perhaps not familiar with. We hasten to assure them we are prepared to consult with the Ontario Hospital Association and the Ontario Medical Association about

the best course of action in any such future situation. Quite clearly, the minister's remarks about amendments to his bill go further to assure input from all interested parties.

Mr. Speaker, the central point we wish to impress upon you and the honourable members, if I might sum up, is that we must have the tools to do the job. The present Public Hospitals Act will not allow the government to be of sufficient help when our help will be most required. This amendment will also not permit us to snoop or swoop in arbitrarily either; I have spoken of the criteria that must be in place before we act.

Mr. Laughren: This is swoop and snoop legislation.

Mr. Gordon: Of course, the honourable member on the other side is known for his snoop, swoopy activities.

This amendment will, however, free us to move towards resolving nasty difficulties in our system. I have said we are responsible for the health system of this province and will continue to be responsible for it. We recognize our responsibilities and we need the power to exercise this responsibility and no more.

On behalf of this government, I would ask for the support of all members in this chamber in approving the Public Hospitals Amendment Act for second reading in the interest of the public's safety and wellbeing that we have been elected to ensure.

Mr. Laughren: Mr. Speaker, I rise on a point of information. I wonder if you would allow me to ask the member for Sudbury if he will promise to heap this praise on his colleague when he returns to Sudbury.

Mr. Conway: Mr. Speaker, I am pleased and interested to rise and participate in what I believe to be an extremely important debate about what I believe to be a very radical piece of legislation—legislation that is radically bad and radically wrong. I find it interesting to listen to the Minister of Health and his parliamentary assistant's remarks on behalf of the government.

I do not know what Hansard will show about the comments of the member for Sudbury, but if he said in his remarks, or as an aside to the member for Nickel Belt, that the current legislation does not provide sufficient snoop and swoop sanction and latitude then he spoke to a far greater reality about Bill 113 than he might at first understand.

Like every other member who has participated in the debate this afternoon I appreciate fully the difficulties as set out by the report of

inspectors Clark, Wadsworth and Blewett on the situation at the Toronto East General and Orthopaedic Hospital. There can be no doubt in anyone's mind that, as the member for Bellwoods and others signalled in their remarks, there is a very serious problem at that hospital which that report outlines at great length. I have not heard a scintilla of commentary from anyone in this chamber this afternoon which would make me believe any honourable member here wishes to stand in the way of appropriate redress to the specific problem at that institution.

I certainly want to associate myself entirely with the position that we must, as a Legislature, respond as specifically and as sensitively as we can to the problems at the Toronto East General Hospital. The member for Bellwoods cited a couple of things from the report and I wanted to go over one that he touched on very briefly that had to do with nursing care. I would like to read from pages 15 and 16 of the report of the inspectors, because like the member for Bellwoods I was concerned and very upset to think that in the Ontario of 1981 we could have inspectors report to us that a health care delivery system might involve the following:

5 p.m.

"Many complaints of inadequate nursing care were made to the review committee. We have identified instances of poor nursing care. Complaints regarding rough and unsympathetic treatment were received and some complaints of medication errors were reported. There also have been reports of inappropriate behaviour by nurses, such as taking insufficient care of a paralyzed or unconscious patient, laughing at a patient's misfortune and turning off a patient's call light.

"These shortcomings in nursing care and decorum seem particularly to affect those areas of the hospital where large numbers of elderly patients are treated. We have been unable to substantiate many of the allegations about inadequate nursing care, but the large number of complaints of a similar nature causes us to believe there is some substance to the allegations. The majority of the complaints reflect attitudinal problems; however, understaffing, poor physical facilities and inadequate equipment may also be contributory factors."

How many times have members of this assembly, particularly those who served in the minority parliaments from 1975 through 1981, sat and listened to specific complaints from hospitals across the province about the impact

at the ward level of years of significant cutbacks by this government as far as nursing care and related areas are concerned?

I learned a long time ago that the numbers from the minister and the Ministry of Health are nothing but an elaborate scam that I would not spend two moments concerning myself with. I regret to have to say that. I have long since abandoned any seriousness in analysing or accepting what is offered to me by that ministry.

It was remembered here this afternoon that this is very much a matter of trust. In so far as this ministry is concerned it has unfortunately lost some of the capital of trust it once had. Some of us believed what we were told by this minister's predecessor when he went out armed with what were apparently watertight regression analyses for the closure of public hospitals in Ontario five or six years ago. We saw what that case really involved. We were told on the one hand there was every good health care reason why Doctors Hospital should be closed. As I have said in this House before, the former Minister of Health (Mr. F. S. Miller) told us why that hospital should close, and the former Minister of Consumer and Commercial Relations (Mr. Grossman) came along months later and told us why it should remain open.

Whom are we to believe? What was the trust in that transaction? Some of us will always remember the famous day in the committee, looking at the Ontario health insurance plan premium increase, and the numbers of people on partial-premium assistance in the province. We talked about this the other day. On the one hand we were told the numbers were not fewer than 60,000. A short-time representative of this same government stood in that place and said, "The number is, I think, something in the order of 586." Those numbers were recommended to our attention—

Mr. McClellan: Numbers come and numbers go, don't they, Dennis?

Mr. Conway: I cite those two references as why I have come to my rather cynical view of the numbers of the Ministry of Health.

For the edification of the new member for Lakeshore (Mr. Kolyn)—who ought to know something about the ravages of this government's health care policy with respect to his own community—when I look at the report of the inspectors and see their references as to how government cutbacks and insufficient funding for proper levels of nursing care have potentially impacted upon—

Hon. Mr. Timbrell: That is not what the report says.

Mr. Conway: I will tell the minister. They say, "Understaffing, poor physical facilities and inadequate equipment may also be contributory factors." I am very likely to believe the reference, however oblique it might be.

Mr. McClellan: Page 16, Mr. Minister.

Hon. Mr. Timbrell: They are having trouble hiring. I have acknowledged that in this House.

Mr. Conway: They are having trouble hiring for the provision of better physical facilities?

Mr. McClellan: What about inadequate equipment?

Mr. Conway: What about inadequate equipment? We sat in the select committee and listened ad nauseam to very distinguished members of the community who were telling us just what was happening as a result of the government's formula for new plant and equipment in this very city. I heard representatives from outstanding teaching hospitals talk about the pressures under which they were finding themselves and how it was that as a result of this government's underfunding they were not able to renew plant and equipment to the levels that were expected and suggested.

Hon. Mr. Timbrell: And if the member opposite were here would there never be that sort of thing—never demands for more?

Mr. Conway: I am just standing in my place and reminding my friend the Minister of Health what we have heard in the select committee over a number of years. The Minister of Health must bear on his—

Hon. Mr. Timbrell: If the member opposite were here there would never be demands?

The Acting Speaker: The minister will have his opportunity to talk. Carry on, Mr. Conway.

Mr. Conway: I want to say, like the member for Bellwoods (Mr. McClellan), that the Minister of Health must bear a very significant part of the responsibility for the debacle reported in this particular inspector's report, for the years of constant underfunding that have led to these kinds of conditions. I am particularly anxious to put that on the record, because certainly it runs throughout this particular report.

Hon. Mr. Norton: The member's anxiety shows.

Mr. Conway: My anxiety does show; indeed it does. We saw the promise of 1975-76. Anybody who went through the Doctors Hospital situation will agree with me that when this government set out to undertake health care planning initiatives in the 1970s they had only one main

objective, and that was to reduce their overall budgetary expenditures. Constraint and restraint were the order of the day.

I want to take this opportunity to say this report is the product of years of insensitive underfunding by the Minister of Health, the very man who stood here in his place but three years ago, when inflation was running at something in the order of nine per cent, and told the people at the Toronto East General and Orthopaedic Hospital and others that they would get 4.5 per cent. Now they have this incredibly cynical budgetary process where they underfund knowingly—

The Acting Speaker: Mr. Conway, we are talking on Bill 113, An Act to amend the Public Hospitals Act.

Mr. Conway: Indeed we are, Mr. Speaker. It is my contention that what has led us to this radical piece of legislation is the significant and insensitive underfunding by this government, through the Ministry of Health, of the public hospital sector.

I listened with great interest to the Minister of Health both today and in his statement of June 15. I want to read a few paragraphs from the minister's statement to the House on Monday, June 15. I am going to read two paragraphs of that particular statement:

"Although the report has just been received, members of the committee were sufficiently concerned with what they were finding to alert both the administration of the hospital and my senior staff to specific issues so that critical problems could be addressed in an ongoing way. At the same time, they shared with the ministry the limitation of the Public Hospitals Act to deal decisively with inadequacies such as those found at East General. In these cases, the government must be able to intervene in the interests of the broader public whom we all serve.

"The change we are recommending to the legislation is based on provisions that most other provinces already have to deal with problems of this same sort." I found it very interesting that the impression is being created that there are not extant in the legislation as it now reads, opportunities for the government to deal with the broader public interest. I know the minister has been petitioned by the very distinguished leadership of the Ontario Hospital Association, the equally distinguished leadership of the Ontario Medical Association, and

others about their reading of what might be already in place to deal with the broader public interest as it is defined.

5:10 p.m.

I wonder why we have not heard anything from either the minister or his parliamentary assistant about section 9(11), of the Public Hospitals Act which says, and I quote: "Notwithstanding the Corporations Act, upon the recommendation of the minister, the Lieutenant Governor in Council may appoint one or more provincial hospital representatives to the board of a hospital for a term of office of not more than three years and such provincial hospital representatives shall have all the rights and responsibilities of elected directors."

Again, section 15 reads, "The minister may designate one or more officers of the ministry to be inspectors for the purposes of this act and the regulations." Looking at the regulations, section 10 reads: "An inspector may administer and enforce this act and the regulations in a hospital; inspect and inquire with respect to the premises, management and operation of a hospital; require the superintendent, a member of the medical staff, or a hospital employee to furnish any information in his possession or under his control, and to make returns, reports and statements in writing, relating to the hospital but only for the purpose of the act and this regulation; examine and audit all hospital books, accounts and records; and investigate and require information from a person in possession of information in respect of any hospital matter or financial condition of a patient."

It seems to me there are already in the Public Hospitals Act provisions that allow the Minister of Health an opportunity to intervene in the broader public interest, if that is his determination. I wonder why we have not heard from the member for Don Mills, the Minister of Health, why those provisions already in the act are so hopelessly unable to deal with the problems at hand. The impression has been left that we have a serious problem at East General, and friends, we have no choice, the only choice we have is Bill 113.

I have a feeling that the minister is already thinking about the speech he might give if members of the opposition should stand in their places and reject this legislation, which both he and his parliamentary assistant have suggested is fair and reasonable. I can almost imagine how the Minister of Health might go forward in the way of the Minister of Housing (Mr. Bennett), talking about how the obstructionist opposition

was prepared to endorse the status quo at East General and how Bill 113 is the only fair and reasonable response to those problems which, surely he will say, all reasonable, concerned and conscientious members of the community will want resolved.

If it is the case—and I have not yet heard from the Minister of Health, the member for Nipissing (Mr. Harris), the member for Sudbury (Mr. Gordon) or others how the provisions in the Public Hospitals Act I just cited are wholly inadequate to deal with the problem. It may be they are, but I want to hear from the minister—who nods his head in the affirmative, suggesting they are inadequate—how they are so inadequate. I am prepared to listen to that argument. Assuming he has a compelling argument, then the question remains: Why do we need an omnibus bill to deal with the specific, if serious and immediate, problem at Toronto East General?

On first principles, it is clear to me at least that the specific problem at that hospital ought to require a specific legislative redress. I endorse wholeheartedly what has been said by the members for London North (Mr. Van Horne) and Bellwoods when they strongly recommended to the minister that he draw back from the radicalism of Bill 113 and make the bill specific to that hospital, at least until such time as he and his ministry, or a commission of inquiry with a mandate to inquire into the state of affairs in our public hospital sector or some other group, shows cause as to how and why we need this kind of omnibus legislation.

If they can do this, it might well be we would send Messrs. Clark, Wadsworth and Blewett out with a mandate to generalize their concern for all public hospitals. They might report back and give us the kind of information that would entirely justify the minister's point in Bill 113. But it is absolutely wrong for the minister to proceed with this kind of omnibus general legislation on the basis of a specific problem at a specific hospital.

Some of us will also recall an article which appeared in a national newspaper about a week ago indicating, according to one of the commissioners, Dr. Wadsworth, that the bill was in the mill a long time before this report was finalized. How I can imagine that.

I have a suspicion that maybe even before the current Minister of Health there were circumstances whereby, well before 1978 when he took over the ministry, Bill 113 was sitting in the minister's top drawer—whoever the minister

involved might have been; the current member for Muskoka (Mr. F. S. Miller), Mr. Potter or Mr. Lawrence—just waiting for the appropriate time.

A minority government never provided the appropriate environment for this kind of Draconian measure. The moment a majority government returns and a report on a specific hospital is brought forward, we get Bill 113.

I had to believe that when I saw those comments in the *Globe and Mail* the other day about how the bill seemed to have been ready well in advance of the report being written and there was a feeling this legislation was all set and ready to go.

I have listened to both the Minister of Health and his parliamentary assistant say, and I know the member for Bellwoods and others heard them repeat: "We want to put on the record now that while this is a generalized approach to a specific problem, we want to assure all the members, from Carleton Place through to St. George, that it is our firm belief it will be a very rare exception as opposed to a general rule. We do not expect this legislation to have to be applied often."

I have to say to my friends the members for Don Mills and Sudbury that if they are to be believed in those remarks they should be as good as their commitment, have the presence of mind to acknowledge the likely rarity of this sordid intervention and make their intervention specific on individual case studies with individual bills.

I do not know how, on the one hand, they can say they expect the number of times this amendment under Bill 113 will have to be applied to be rare almost to the point of nonexistence and, on the other hand, justify so repugnant a principle as is contained within it now in the absence of any evidence beyond this report and the Laurentian Hospital report of some five years ago.

5:20 p.m.

Those are the only two hospital reports I heard cited. If the minister has more evidence, he must bring it forward and then we will have an opportunity to see just how many cases there might be. I have to wonder if there are other cases because it seems to me every additional case that is found is another nail in the coffin of mismanagement of the public hospital sector as a result of their underfunding in this province. If they want general legislation, they should produce the evidence to indicate that it is necessary. As long as they come forward with a

specific report about a specific hospital and say the legislation will be rarely implemented, how dare they insult our intelligence by asking us to endorse this kind of radical intervention?

It has been said many times in this debate—

Mr. McClellan: Even though many have not spoken.

Mr. Conway: —even though many have not spoken—that it represents an attack on the volunteer sector, particularly those hundreds, if not thousands, of Ontarians who serve in a volunteer capacity on boards of directors in Algoma-Manitoulin, in Mount Forest, in Queensway-Carleton and in a lot of other very fine institutions. I know the very distinguished member for Carleton (Mr. Mitchell) would agree with me when I say that the people who serve on the board of Queensway-Carleton are very fine distinguished members of the community, whom his friend and colleague the Minister of Health has abused in the most direct way with this attack on their standing. How anybody, serving on a public hospital board, would continue with this kind of trusteeship hanging over their heads, is to me quite incomprehensible.

If I were at home in Pembroke, sitting on the board at the Pembroke Civic or General, I would resign as a matter of principle and as a matter of honour if this bill passed. I feel it quite seriously and I mean this most seriously: under the conditions of this legislation I would resign.

I want to reopen the opportunity, because it may be there; the minister may have an awful lot more he wants to tell us. I am prepared in all good conscience to listen. If he has the evidence, let him bring it forward and I will sit until it is all disposed of. I like to believe that I am not known for participating in unfair hearings around this place. If he has a case to be made, then I am most anxious to hear it. I am sure hospital board members in Little Current and in Brockville and in North Bay would agree with me that if there is a widespread problem, let it be brought forward and we must deal with it. In the absence of that evidence, how can he expect me, as a member of a board, to stand in my place and allow this trusteeship to be foisted over my head.

It is just an absolutely intolerable situation and the member for Bellwoods is absolutely right. This bill is nothing but trusteeship and that must be understood by all honourable members.

Ms. Bryden: You said you would be short.

Mr. Conway: The member for Beaches-Woodbine reminds me that I promised to be rather succinct, and I am certainly anxious to do so, but I must say that when I heard the minister days ago introduce his bill and his statement, I was fully expecting to pick up the bill and find it really a matter of housekeeping that we could get on with in the space of very little time.

When I read it I found that this was not at all a bill for Toronto East General; and then I started to get calls from people in the know, people on those hospital boards and in the medical community and other health care people and they all had the very same impression, so I felt it just wasn't my own perhaps cynical, sinister, nay-saying oppositionist bent of mind, and there were a lot of other people out there who felt that this was a serious intervention. Let me, just for the record, quote from an editorial in a very distinguished daily paper in the province, the *St. Catharines Standard*, from Thursday, June 18. I want this to be read carefully for my friends on the government benches.

I do not really see this as a party question, but as a serious matter for our public hospital sector. I want my friends opposite to listen to what the *St. Catharines Standard* has to say. The last time I checked this was one of the most illustrious supporters editorially of the government of Ontario and the party that runs it that is to be found anywhere in this great province.

Headlined "Unneeded and Dangerous," the editorial in the *St. Catharines Standard*, Thursday, June 18, 1981, says: "It will be a dangerous move if the Ontario government empowers itself to move in on any hospital any time it chooses, to take charge when it deems such control to be, as the vague phrase puts it, in the best interests of the public. The legislation introduced Monday and expected to be passed later this month, is to be used against Toronto East General and Orthopaedic Hospital, Health Minister Dennis Timbrell said.

"He was disturbed by results of an inquiry at the hospital which showed bad management, mistakes in diagnoses and treatment, low morale and possible conflict of interest.

"Despite Mr. Timbrell's assurance that the legislation would be used very, very infrequently, we wonder. To rely on the government's wise, paternal concern in determining the best interest of the public, affords no guarantee. It appears there is no right of appeal.

"Such an autocratic move against a private business would likely provoke public outcry. Of course, the government has the right, even the

responsibility to ensure that hospitals are properly run and that the \$8 million a day for health care across the province is well spent.

"But why this extraordinary new measure? The government already has all the power it needs. If there is a suspicion that a hospital is badly run the health ministry can send in inspectors, cut funds and restrict activities. Indeed, considering these powers, how did the Toronto East General get into such bad shape?"

Mr. McClellan: It is a Tory newspaper, Dennis.

Mr. Conway: It is a Tory newspaper. I am simply quoting from an editorial. "The Ontario government does not need this new and outrageously authoritarian power."

Let me say I agree with this editorial to this degree: This is an extraordinary radical piece of legislation, which the evidence in front of us does not warrant. It is incumbent upon the Minister of Health to produce the evidence to get that general mandate for this kind of omnibus legislation.

I believe there is a firmly developed and firmly held view within the Ministry of Health—the senior mandarins nicely arrayed across the pine panels under the press gallery. I happen to believe that this bill represents a well thought out effort by the central government at Queen's Park to get a major new power of intervention for direct budgetary control of the public hospital sector in this province.

I think that is what the principle of Bill 13 is really intended to get at. This is the perception in the community as well—that it is just another effort by the Hepburn Block to spread its fiscally and financially sensitive tentacles out into the communities, whether they be Brampton, Brantford, Kenora, Timmins, or Toronto East General, and to gather control of those institutions so that the restraint ethic, the constraint obsession that has so often hounded, and on occasion nearly ruined the putative Premier from Don Mills, will in fact become the order of the day.

5:30 p.m.

How many times have members in this House listened here and elsewhere to the member for Scarborough East (Mrs. Birch), the charming, effervescent social secretary for development or whatever—

The Deputy Speaker: Mr. Conway, how many times have members listened in here when you are not speaking to the order?

Mr. Conway: How many times, Mr. Speaker, have I heard the super secretary for social development, the Minister of Education (Miss Stephenson), the Minister of Environment (Mr. Norton), yes, even the very distinguished first minister, talk to us about the reverential attitude they hold towards the voluntary sector in this province? Sometimes some of us think the Minister of Health plans to do an awful lot in the future on the basis and on the strength of his well-developed connections with the voluntary sector that he is so anxious to abuse in this particular bill.

I find it, in this respect, a bill that is contradictory and hypocritical. I know that members of this government and others close to the government have drawn to this minister's attention just how wrong and wrong-headed Bill 113 is. Certainly, I want to say I find it as offensive and as radical a piece of legislation as I have seen in five and a half years here. I will resist it with perhaps more enthusiasm than the lateness of the session would otherwise require or demand or invite.

In conclusion, if the minister has the evidence, if he can produce a compelling case for me and other members who are genuinely concerned about why an omnibus response to a specific problem at a Toronto hospital is needed, then we are quite prepared to give him a full and fair hearing. But for him to proceed otherwise in an arrogant, authoritarian and almost groundless fashion is, I submit, an abuse of this House and something that will invite a reaction that I do not think will provide effective redress for the serious, specific problem at the Toronto East General.

Ms. Bryden: Mr. Speaker, if that was a short speech, I would like to know what the member for Renfrew North's long speeches are like.

This bill is another of those bills being brought in during this session as an indication of what the members opposite appear to think majority government is all about. It is legislation transferring power from the Legislature into the hands of the executive council. It is not unique. We have had several other bills doing the same thing, by increasing the power of regulation and the power of the cabinet. It is legislation dealing the Legislature out of policy making in this field.

This kind of legislation, once it is in, is very difficult to change, because none of the decisions which will be made under it come back to the House. It is legislation which, in my opinion, is on the road to dictatorship, and it is the role of the opposition to expose it to the public, to let it

know what is actually happening in this kind of legislation and, if possible, to limit the power of such legislation by the power of public opinion. But the government, of course, is aware of what it is doing and is trying to restrict the role of the opposition in this way by slipping in such aggrandizement of its powers at the end of the spring session, insisting that it must be passed before the spring session is over, giving no opportunity for public hearings or for referring it out to a committee.

I think the public should be aware that this kind of legislation is not the kind we should be expecting from a majority government; that the Legislature is here to decide policy and to put limits on the power of the executive council.

This bill has a special genesis in the allegations of mismanagement and mistakes that were made about the Toronto East General Hospital. I have a very special interest in it because of the fact that a majority of my constituents consider the Toronto East General Hospital as their principal hospital. A large number of the minister's constituents also use this hospital.

In the past two or three years I have heard a great many complaints about the situation at the hospital. I have heard about the jammed emergency department, the bed shortage, the unopened beds in the new wing because of a nursing shortage. I have heard about the deterioration in morale and in patient care. I have heard about the deterioration in the quality of meals.

I know that this deterioration stems from the lack of budget funding by the ministry and from the fact that the staff has been reduced below the level where adequate patient care can be given and is both overworked and grossly underpaid—to the extent that some of the staff took the unusual step of going on strike illegally to try to alert the public to the fact that they were grossly underpaid, falling behind in the cost of living and had no recourse such as most other employees have to rectify this through collective bargaining procedures with the full right to strike.

I even decided that I should find out whether the complaints were justified. I made an appointment with the administrator of the hospital and the medical director in February and spent a considerable time with them. At the end of the interview I understood their problems in greater depth, but I realized that most of them stemmed from the lack of funding and lack of policies of the Ministry of Health itself at the provincial level.

The report that we have received from the

three members of the inquiry does confirm most of the complaints I have heard. It is an alarming report. It might have been even more comprehensive if the inquiry commissioners had acceded to my request that the hearings should be open to the public and that there should be an opportunity to cross-examine some of the people who appeared before them.

I will say that the inquiry did listen to anybody who either telephoned them or wrote to them, and they did make it clear that they were willing to hear from anybody. But that is not the same as public hearings in that the public does not know what other people are saying and does not have the opportunity to question some of the people who are appearing.

The report certainly identified the problems that have been mentioned by all the speakers and that I have mentioned too, namely, the overcrowding of the emergency ward; the bed shortage, which led to the actual closing of the emergency ward to new calls or new patients being brought in on certain nights; the fact that a fifth of the beds are occupied by chronic care patients who should be in other facilities, though there is no place for them to go; the fact that the hospital lacks an adequate intensive care unit and cardiac unit for very ill patients who come in through the emergency ward; the fact that there is understaffing because of a nursing shortage; the fact that some beds have not been able to open; the fact that there is low morale; and the fact that there have been mistakes.

5:40 p.m.

However, the inquiry report does not identify the real culprit for these conditions. If one looks at the inspectors' terms of reference, one can understand why they did not. Their terms of reference were limited. They were asked to inquire into the allegations made in the media about the quality of medical care. They were asked to consider the policy of the hospital on the release of medical information and to review any relevant administrative practices or procedures.

That is all. They were not asked to say whether the hospital had been underfunded or understaffed as a result of the ministry's grants being below the inflation rate. They were not asked to consider why there was a nursing shortage or, if there was one, who was responsible.

But we know the situation at the Toronto East General Hospital stems mainly from the policies of this government. The 130 beds for chronic

care have not been emptied so they can be used for active treatment. There is no adequate place in the east end and no definite plans to get those 130 beds emptied. There are no capital funds for streamlining and reorganizing the emergency service, one of the busiest in the whole province. It needs spinoff facilities for some of the crisis care cases that come in, and it needs a new intensive care unit.

They are not able to keep equipment up to date. They have no computerized axial tomography scanner because of lack of funds. The nursing shortage, we know, can be laid at the door of the Ministry of Colleges and Universities, which cut back on nursing training in the community colleges a while ago because it thought there was a surplus. Its forecasting was very bad and we now have a serious shortage.

We know the bed shortage stems from unrealistic bed targets set for a busy hospital of this type, because 50 per cent of its patients are over 65, which means in many cases they have multi-illnesses; they need more care than the average patient under that age.

There is a high maternity rate in the hospital, something over seven babies a day. There is a special orthopaedic section. There is a crisis and drug centre. All these require more, not fewer, beds. These targets set by the minister are completely unrealistic. There is also the question of cutbacks in patients' service and in food because budgets have been below the inflation rate.

Finally, the shortcomings of the management in the hospital stem from the ministry's failure to deal with the whole question of how hospital boards should be constituted and monitored. We have the situation of public hospitals being run by private self-perpetuating boards, often chosen on a very undemocratic basis.

For example, in the Toronto East General Hospital there are 171 people in the voting category who are able to vote for the board, but to be able to vote one has to ante up \$100. How many of the ordinary patients in that hospital or their families can ante up \$100 to vote on the hospital board?

Even more undemocratic is the fact that if one can ante up 20 times \$100, one gets 20 votes. Whatever number of \$100 up to 20, one gets that number of votes. As a result, for the 171 members of the corporation there were 911 votes on the choice of the board of directors, but almost 800 of those votes were cast by 101 corporations that were able to ante up certain funds for the corporation.

About three years ago, in a green paper on health delivery, the New Democratic Party outlined a possible alternative model for the administration and delivery of hospital services. Included in that paper was a suggestion for hospital boards. We felt that all health care delivery should be by district and community health and social service boards, which would combine all the services of that nature and would involve direct user and worker participation on those boards and would cause the abolition of the self-perpetuating hospital boards. Two thirds of the community board would be elected from the community and one third from health workers. This is the sort of model the minister should be looking at as a possible alternative.

Certainly, the report indicates that the self-perpetuating board at the Toronto East General Hospital was not delivering the best kind of administration. In fact, when we have a board that does not advertise when its meetings are held and whether they are open, the public has no opportunity for input. When a situation like that occurs, we are bound to have charges of nepotism, conflict of interest and such things as the inquiry found in some cases.

I recognize that a great many people who serve on hospital boards throughout this province are very dedicated people who often give their time as a community service with little or no remuneration. However, when the system under which they work is closed, the public has no way of knowing how they are handling their stewardship and they have no means of replacing them if they think they are not handling them adequately.

I think the minister should bear most of the blame for the situation at the Toronto East General Hospital. I think he should be condemned for letting the situation go on for so long. He should be condemned for letting so many of his constituents suffer the trauma of spending several days in a 10-bed observation area before beds could be found for them in the active treatment units of the hospital. The minister may say he lacked the authority to intervene, but presumably he did not lack the authority to correct the conditions I have mentioned.

The alarming items in the report of the inquiry and the serious state the ministry has allowed to develop at the Toronto East General Hospital are such that I believe there is justification at this time for putting a government administrator in that hospital until some of the

problems are solved. However, even a super administrator will not be able to solve them unless the ministry itself acts in many of the areas I have mentioned which are preventing the hospital from solving its problems.

I accept that as a necessity at this time, but I do not accept the principle that the minister should have power to take over any hospital on his own assessment of the situation. It seems to me that under this legislation he could possibly close it down, because the administrator has the power to do anything the board of the hospital can do. Presumably a hospital can wind itself up.

In addition, if we do appoint an administrator just for this hospital, there should be limits on the secrecy in which he can operate. Any reports that the minister requests from him should be open to the public, and there should be an opportunity for public monitoring and input on his operation and on the remedies he proposes.

5:50 p.m.

For the reason that we do not think this kind of general and sweeping legislation should be permitted, we are going to oppose the bill. It is dangerous legislation, giving the executive council far too much power over every hospital in this province. We feel very strongly that this is the kind of legislation the public must be aware is a danger to their freedoms and they must put pressure on the minister to withdraw it and bring in a bill that will solve the one problem we are facing at the moment and not give this kind of sweeping power to the minister.

Hon. Mr. Timbrell: Mr. Speaker, in the few minutes that remain I want to respond to some of the points raised by the members opposite. Let me say at the outset that I recognize how intensely some people hold the views they do about this legislation.

Mr. Van Horne: We feel intensely about local autonomy; keep that straight.

Hon. Mr. Timbrell: It was with those views and concerns in mind, and recognizing the concerns for local autonomy about which I have some equally strong feelings, that I indicated when we get to committee certain amendments will be put forward that will maintain that balance.

It strikes me as somewhat ironic that in all the time I have been minister I have heard repeatedly from across the floor and other quarters statements and various speeches that attempt to attribute to me and to the Ministry of Health all

the ills and all the problems of the health care system, at no point ever acknowledging that the minister or the ministry might do something right.

Mr. Epp: You said it, Dennis. You said it.

Hon. Mr. Timbrell: I am observing the tone and contents of the remarks from over there from time to time. They want to heap that total accountability on the minister and the ministry, but they do not want to give the minister and the ministry, when there are extraordinary circumstances—

Mr. T. P. Reid: You have that power.

Hon. Mr. Timbrell: No, we do not.

Mr. T. P. Reid: You have that power. You can appoint people to the board; you can appoint inspectors.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Let me come to that, Mr. Speaker. It was suggested by the former Health critic of the Liberal Party that all one has to do is stack the board. That is as good as the BC system, which we examined and rejected, which is to simply dissolve the board—

Mr. Van Horne: You've got it there now.

Hon. Mr. Timbrell: I am sorry; we do not have it there now—

Mr. Van Horne: How did you do it in the Toronto East General?

Mr. Speaker: Order.

Hon. Mr. Timbrell: I do not think we could have put together a more impartial, capable group of people than the three we did to examine the problems at the East General. In their report and, a few days before the report was delivered, in the verbal briefing I had from the chairman, based on whose advice and only after whose advice this bill was drawn, they highlighted for me not only problems there but also the fact that the balance is not complete; that, as in the case of municipalities, there should be the authority to go further and to assist in exceptional instances and circumstances.

With respect, I submit that a number of people, and perhaps some opposite, are looking at this authority in a punitive sense. It is submitted to this House for consideration with a view to correcting problems, not to punishing. I submit that it is an inconsistency to demand total accountability of the ministry and yet not to give the ministry the authority in the legislation—

Mr. Van Horne: You can deal with the cases one by one.

Mr. Speaker: Order.

Hon. Mr. Timbrell: —with safeguards, a number of which are already there and significant ones of which I propose to put forward in committee to ensure the system itself is fully accountable.

There were a number of other points I wanted to comment on. I guess the most significant is that, when I had my verbal briefing prior to the completion of the written report, the most significant question I put to the chairman of the review was, "Can this hospital clean up the mess itself?" He said, "No." My second question was: "Do you have the authority to assist in cleaning up the mess?" He said, "No." Thence came the recommendation which, I submit, is a rounding out, a balancing of—

Mr. T. P. Reid: You had that bill before you got the report.

Hon. Mr. Timbrell: I submit that the amendments we propose do address the problem, do allow for full input, do allow for the political process that members are concerned should prevail.

The member for Renfrew North (Mr. Conway), quoted—

Mr. Conway: That is a laughable fabrication. It is totally dishonest to say that.

Hon. Mr. Timbrell: I beg your pardon.

Mr. Conway: It is totally dishonest to say that.

Hon. Mr. Timbrell: The member is so cynical, so turned off reality since March that—

Mr. Speaker: Proceed with your remarks, Mr. Minister.

Mr. Conway: You can take that authority for East General, but no more.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Mr. Speaker, the honourable member quoted an editorial from St. Catharines that said something to the effect that any time it chooses the government may do X, Y or Z. The fact is it will not be any time the government chooses. There are a great many safeguards built into the system to ensure that we do not trample on local autonomy, that we do not abuse authority, but to also ensure accountability in the system.

6:15 p.m.

The House divided on Mr. Timbrell's motion for second reading of Bill 113, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett,

Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Mitchell;

Norton, Piché, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Walker, Watson, Welch, Wells, Williams, Wiseman.

Nays

Bradley, Breaugh, Breithaupt, Bryden, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Epp, Grande, Haggerty, Johnston, R. F., Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McEwen, McGuigan, McKessock, Newman, Nixon;

O'Neil, Philip, Reed, J. A., Reid, T. P., Riddell, Ruprecht, Ruston, Samis, Sargent, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 61; nays 43.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for standing committee on social development.

Mr. Van Horne: I suggest that this bill be referred to a standing committee of this Legislature as per section 56 of the standing orders.

Mr. Speaker: The minister has already done that.

Mr. Van Horne: I cannot hear, Mr. Speaker.

Mr. Speaker: Order. Order. His microphone was not on.

Mr. Van Horne: Mr. Speaker, aside from the things that happen in this House from time to time in our disagreeing with each other, the fact is that when two or three people speak at one time the acoustics are so lousy that we simply cannot hear in the back rows. I am sorry if I did speak contrary to the minister's motion, but we simply cannot hear.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to announce to the House the business for tonight and tomorrow morning, since there is a change from that found on the Order Paper.

Tonight, immediately after the supper recess, we will begin the budget bills still remaining, which are second reading of Bills 73, 78 and 77. That will be followed by second reading of Bills 85 and 67. Tomorrow morning, after question period, we will do all the third readings on the Order Paper, followed by second reading of Bill

92, and then any second readings required of bills that were on the list tonight and not completed. That will be followed by all those bills that are in committee of the whole House as listed on the Order Paper.

The House recessed at 6:21 p.m.

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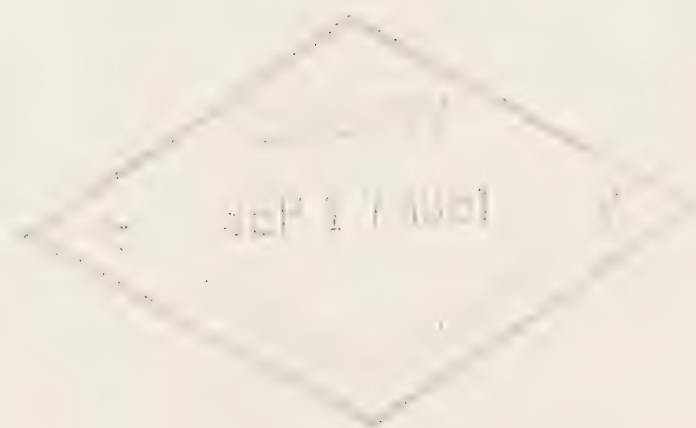
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No. 60

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, June 25, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 25, 1981

The House resumed at 8 p.m.

MOTOR VEHICLE FUEL TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act.

Hon. Mr. Ashe: Briefly, Mr. Speaker, this bill to amend the Motor Vehicle Fuel Tax Act will implement the proposals in the Treasurer's budget of May 19, 1981, by which the tax on diesel fuel for motor vehicles will be established as a percentage of the retail price. The tax rate established is 27 per cent.

The retail price to which the tax rate is to be applied will be established from periodic samples of retail prices taken by the staff of my ministry and adjusted quarterly, beginning July 1, 1981. The bill provides for an increase in tax from 5.9 cents per litre to seven cents per litre until such time as the new procedure is implemented.

The tax applicable to diesel fuel used to propel railway equipment on rails will remain at 2.2 cents per litre. However, once a taxable price has been prescribed for diesel fuel for motor vehicles, railway fuel will be taxed at 8.37 per cent of the taxable price of that fuel. This is a rate equivalent to 31 per cent of the amount of tax per litre applicable to diesel fuel for motor vehicles.

In addition, I have included an administrative amendment making it an offence for a registrant under the Motor Vehicle Fuel Tax Act to supply fuel exempt from tax to a person who is not a registrant if that fuel is delivered to a tank wagon of the nonregistrant or is delivered to the storage tank of a nonregistrant who is acquiring the fuel for resale.

Mr. Haggerty: Mr. Speaker, in his leadoff speech I thought the Minister of Revenue (Mr. Ashe) perhaps was going to rescind the bill and bring it back as a normal tax structure, but apparently that is not the case.

I want to put forward the official opposition's views on the second reading of Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act, and our reasons for opposing the bill in principle.

Our party's views are of a similar nature to our position on Bill 72, An Act to amend the Gasoline Tax Act, 1973. We condemn the Tory government for its introduction of the ad valorem tax policy, or added value on taxation of goods.

The bill implements the proposal in the Treasurer's budget that a tax on diesel fuel for motor vehicles and railway equipment be established as a percentage of the retail prices of those products as determined by the Minister of Revenue. After periodic sampling of retail prices paid by consumers, the bill makes provision for the minister to alter the price on which the tax is based so that the increases in retail prices can be reflected by a corresponding change in what is payable.

No federal, provincial or municipal government should be granted unlimited taxation authority as this proposed amendment bill suggests. We in the Liberal Party strongly object to such broad taxing powers and to the lack of accountability to the Legislature on tax policy that permits the government access to sources of revenue without justifying its need.

In fact, the recent tax increases in the Treasurer's 1981-82 budget—the income tax increase of four percentage points, the tobacco tax increase, the gasoline and fuel tax increases and the return of the seven per cent sales tax on household goods and appliances, building materials and vehicles—can be hailed as the Tories' new promise: the rape of the taxpayers.

The expected revenue alone from tax increases in amendments to the Motor Vehicle Fuel Tax Act was in excess of \$20 million in additional revenue. But by moving from the present tax method of so much per litre, a fixed amount of three to five or six cents or whatever it is, to the ad valorem tax structure, it is estimated that the last federal government tax increase on gasoline and other motor fuels would generate \$40 million to \$50 million more than the Treasurer anticipated with his \$20-million increase. It is also estimated that the petroleum fuel tax will generate a total of well over \$900 million.

The ad valorem tax policy, in particular as it relates to the price of oil increasing considerably year by year, will provide this government with an enormous amount of wealth.

We question the veracity of this government's tax policy. The official opposition has taken a strong stand in opposing the ad valorem tax. We have endeavoured to bring to the attention of the minister responsible for government policy and other Tory members, as well as the public, the Tory promises made before the March 19 provincial election.

I remind members that the Tory government did not mention tax increases during or before the campaign. We on this side have taken the liberty to place on the record during these debates the Tory commitment to the public on matters pertaining to tax increases and an energy policy for Ontario.

Let us remember what the Deputy Premier and Minister of Energy (Mr. Welch) said, of all places, at the Canada Energy Conference in Banff, Alberta, on November 15, 1979. I quote from page six of his speech: "I should like to think, in the context of assuring an adequate oil supply, that the industry views itself as implicitly holding in trust the revenues it receives from the consumers. And I would like to think that the pricing of oil and natural gas will not be used simply as a disguised taxation vehicle, a means of cascading additional dollars into the coffers of the government."

I ask the members of the government party, is the introduction of the ad valorem tax by the Treasurer not a means of cascading additional revenue dollars? Is it not reasonable to expect that our objective of attaining self-sufficiency in oil as soon as possible will be converted "into a mechanism for simply expanding the cash flow of the government"?

I suggest to government members, particularly the Minister of Revenue, that this is the intent of the ad valorem tax. The proposed tax increases under the ad valorem principle of taxation are to all intents and purposes a devious ploy by this government to generate large increases in revenues without having to justify tax increases before this Legislature. They are definitely windfall profits, something this government had a strong commitment on, saying it would not permit any government to reap high profits at the expense of the consumers.

The Tory government's turnaround is scandalous and a discredit to consumers. The government has shown little respect for the consumers. All it is interested in is the almighty buck. Greed is its concern in taking this approach to the ad valorem tax, which only adds fuel to an already high rate of inflation. It pushes

up inflation, causing further hardship on lower-income families and is a serious concern to middle-income families.

As I mentioned in the debate on the Gasoline Tax Amendment Act, the Conservative theme of "preserve and conserve" in pooling automobiles is another area in which the government has wasted millions of dollars in advertising. The government should look at what it is trying to tell the people about preserving and conserving. This government has very little interest in preserving these particular resources, gasoline and fuel.

All the minister has to do is look at my particular area, the town of Fort Erie, which currently is used as a dumping ground for surplus gasoline and diesel fuel from this area. If the minister is not aware of it, we have a large number of vehicles—about 90,000 more vehicles per month—coming over and purchasing surplus gasoline and diesel fuels. We have trucks coming over here and reaping the benefits of this giveaway resource.

When the government talks about preserving and conserving by pooling automobiles to reduce the amounts of gasoline used in the province, it is damned well ridiculous, because the government has no intention of doing it.

I suggest that this is a scheme by this government, along with the federal government, to maintain their source of revenues. Those fellows over there would sell us out any time. This is an area where they would do it.

Mr. Piché: You are talking against my friend.

Mr. Haggerty: Oh, well, he is the only friend the member has. Do not lose him.

Mr. Speaker, in view of the interest shown by the back-benchers—

The Deputy Speaker: Who are not in their seats, I might add.

Mr. Haggerty: —I would suggest that they look at the regulation of the trucking industry in Canada and Ontario, particularly the reciprocal agreements made by the Ministry of Transportation and Communications with our neighbours to the south. Through this deregulation, the trucks are coming over here with almost empty tanks, as are the aircraft, and are taking advantage of the Canadian and Ontario consumers. We are subsidizing them.

I suggest they should have some further inquiry into that situation, because it is a ripoff of the Ontario consumer when this takes place. They are taking millions of gallons of petroleum

fuels out of Ontario and Canada at the consumers' expense. I feel that is an unfair business practice.

Mr. Gordon: It's an example we get from the federal people.

Mr. Haggerty: They have not set this. Those fellows are in bed with them.

Mr. Ruston: The Premier (Mr. Davis) has been in bed with Prime Minister Trudeau for a year. I don't know how they have kept together for so long.

Mr. Haggerty: Definitely the government is in bed with the federal fellows on this particular matter. I think I should read some of this, Mr. Speaker. I do not like to quote this again, but I think it is worthwhile to remind the new members of what their leader has said in the past.

This article is from the *Globe and Mail*, a good, respectable paper. It is dated December 18, 1979. It seems to have been a good year, since the opposition members have been quoting from the years 1979 and 1980. The headline on this article reads, "Premier's Pledge to Support Clark at Odds with His Recent Statements."

The article states that on October 17 the Premier said a large increase in excise tax "would be a wilful attack on the individual consumers and general economy of Ontario, and would not serve to advance energy self-sufficiency."

On November 12, he said: "An excise tax increase now would not complement a rational fight against Canadian inflation—it would make matters worse."

I am telling the honourable gentlemen that this ad valorem tax is a matter of concern to all of us. It is adding to the high inflationary rate that exists in Ontario now. If one looks at the United States, one sees that their taxes are coming down, while ours are going up. I will hate to see the September report on the consumer index and inflationary viewpoints because, with the taxes the government is increasing in four different areas, inflation is going to skyrocket; instead of 12 per cent, it probably will be about 15 per cent, an increase of three percentage points.

It is rather interesting that on the same day, November 12, the Premier said: "There is no honest consensus that oil price increases by themselves will lead effectively to reduced consumption. The only thing we do know is that a massive increase in the price of oil can stall

economic activity and slash employment growth." He added: "Clearly, further substantial price increases would constitute not a cost we must assume to be secure but a tremendous tax increase that would only benefit the governments of Canada and Alberta and, to a lesser extent, that of Saskatchewan."

I suggest that this government, which was very critical of the proposed 18 per cent tax put forward by the Conservative government—that is, the Joe Clark government—has done a complete turnaround and is pre-empting what may be in the federal government's proposed new budget some time in the fall.

On December 11, budget night, this is what the Premier had to say: "The energy policy contained in the budget, for rapidly raising the price of oil in 1980 and beyond, will take more out of the hands of the consumers and place it primarily in the hands of other governments. This will extract a toll of higher inflation and fewer new jobs."

The article goes on to say that the Premier summed up the budget—he was talking about the Clark government's budget—by saying: "What in fact appears to be happening is that billions of dollars will be taxed from people across Canada and transferred to the Treasury of the federal government and the governments of the producing provinces."

That is not quite so, because this ad valorem tax gives the government a sufficient amount of revenue. That is questionable. The Premier also said: "These massive new revenues are not being adequately returned to the consumer and to the economy."

The Treasurer had to get into the picture. The article says: "Ontario Treasurer Frank Miller has also condemned the federal government's policies. In a statement to the Legislature on December 13, Mr. Miller agreed with the desire to reduce the federal deficit but disagreed with the means. Here are excerpts from that statement:

"Many of the proposals of the federal government will not help our economic performance—and not advance the capacity of our economy to grow. The excise tax increase of 18 cents to the gallon...is going to mean an additional \$2.5 billion annually in tax revenues. Ontarians will bear the brunt of these increases."

The increase that the present Minister of Revenue has proposed and the ad valorem tax as related to the fuel tax and the gasoline tax will bring in, over three to four years, a couple of

billion dollars. With the increases in the price of crude oil and the federal government's tax on it, the government is going to be rolling in dough. I can see that.

The Treasurer went on to say: "That translates into roughly \$575 for every Ontario household. In 1983, we'll be paying \$6.2 billion more for current volumes of oil and natural gas. . . It's not until 1981 that the energy tax credit for low-income earners takes effect." I suppose that is what he brought forward just recently.

The report sums up by saying: "There is often a gaping contrast between what William Davis says and what he does. After the dissolution of Parliament, the Ontario Premier said he was a Tory through and through and that Canadians should re-elect the Conservatives under Prime Minister Joe Clark." Well, he certainly helped him get re-elected. He turfed him right out.

I suggest there are areas we should be looking at. I talked about the regulation of the trucking industry in the United States and the impact it has here by their coming in and reaping some of the rewards of cheap fuel here in Ontario.

It is interesting to note that if one is driving a truck in the United States, as one enters one state from another one has to pay a fuel tax there just as on mileage; one does not get it for nothing. But here we do not do that. They may pick up a tankful of gas some place along the Queen Elizabeth Way or any place at the border towns, they pay the tax on the one or two miles to get to the American border and they are off scot-free. There are no taxes whatsoever generated by this. It is another concession given to them.

I suggest that in bringing forth a bill like this, it is just ridiculous that we in Ontario should be handed an increase in taxation of this nature as it relates to the cost of petroleum fuels. I suggest that it is an unfair practice, and I hope the minister will take a look at this particular area. I understand, from the information I have, that this is the way it is with the trucking industry.

I bring that to the minister's attention. A couple of weeks ago I was over at the State University of New York in Buffalo. After leaving the Peace Bridge, I had to pay my toll to go there. I was one of the members in here who were very critical of the Robarts government because they had tolls on the Garden City Skyway at St. Catharines and the Burlington Bay Skyway. They were the only places in the province that had tolls. They call Highway 401 a superhighway, and yet from Windsor to Montreal there were no tolls on it whatsoever.

The point I want to make to the Minister of Revenue is that perhaps we should be looking at this area as it is in the United States. As I left the bridge and got on their superhighways over there, I had to pay a toll to travel on that road. In other words, if I were going to use that road, I should pay for it. I had to pay twice, once going and once returning.

8:20 p.m.

Perhaps it is a fair way to look at a form of taxation. Over there they do not have to raise their gasoline tax or petroleum fuel tax. In fact, they have lowered it considerably because of the surplus of gasoline.

Over there they do not come back and hit the taxpayers with tax increases year after year, because they finance their road program in a different manner; they do it by debentures. The trucking industry coming in now is perhaps using more and more of the road and paying little in the moving of goods, because the trailer tax is very small, if it is anything. It is all put on the tractor trailer.

I suggest the industry is reaping some benefit from this. Maybe that is the area we should be looking at in Ontario. Maybe we should be looking at having a study of the particular area of those persons who use the major superhighways in Ontario.

The pooling program and the advertising it is costing us here is not working. It is borne by the cost to the persons who are paying or using fuel in Ontario. If one travels the Queen Elizabeth Way as often as I do, one finds there is still only one person in a car. We are not getting four or five persons to a car.

If we want to make car pooling work successfully, maybe there should be a toll at every access to the Queen Elizabeth Way from the Niagara Peninsula right on through, or in the case of Highway 401. If one is travelling with four persons in the car, one will pay nothing.

I tell the members there are enough of those persons who want to travel one to a car that one cannot even make use of the Queen Elizabeth Way any more. One is hung up for about an hour every morning. It is not dependable. If one has to depend upon a time to be here, one's timing is out almost all the time.

Another area to look at is the policy change in the Ministry of Transportation and Communications in its recent document relating to transportation in Ontario. I feel persons paying fuel tax to use the roads in Ontario will be subsidizing other transportation schemes in the province. It is something new that Ontario now

is getting into the area of marine transportation with the giving of subsidies. That subsidy has to come from somebody, and again it is the taxpayers.

This is an area that is strictly a federal program. This is another area where, through the generosity of the ad valorem tax, this government is just giving them a little more money to spend in some other area. When we get into that area, it means eventually we are going to go deeper and deeper into huge deficits here to supplement the marine industry in Ontario.

I suggest it is a federal matter. We are going to get into something like harbour facilities and the deepening of waterways. I am afraid this is going to be another area this government is going to get into in the same way it did with the GO Transit system when it had to move numbers of people.

It is a good program, but it is the responsibility of the federal Department of Transport to move people in relation to railways, not Ontario's. This is another area where we are caught by heavy subsidization. I suggest there are areas we should be looking at. When I think that jumping on the bandwagon for metric conversion brought in additional funding revenues for Ontario—

Mr. Wildman: Mr. Speaker, is this really in order?

Mr. Haggerty: Definitely it is in order when they are raising tax money.

Mr. Wildman: Are you talking about metric conversion?

Mr. Haggerty: Metric conversion; that is right. They jumped on that bandwagon and received additional revenue. The member should look at that. He might learn something.

Mr. Wildman: It is an important issue, but I wonder how it relates to the bill.

Mr. Haggerty: They are generating additional revenue through that. I suggest to the minister these are areas he should be looking at. I am a little concerned about the areas the Ministry of Transportation and Communications is broadening its programs into in Ontario that are going to—

Mr. Wildman: It's an empire.

Mr. Haggerty: That is right. It is going to cost the persons driving the automobiles; they will bear the full brunt of venturing into this area of additional marine transportation. I suggest there are areas we should look at closely. Perhaps a committee of the Legislature should take a look at it and see what it can come up with.

We on this side have been expressing our views on the ad valorem tax, and we are opposed to it. It is not a fair method of raising taxation without the government being accountable to the people. Based on that, we will oppose the bill.

Mr. Samis: Mr. Speaker, I rise to speak on behalf of our party and in opposition to the bill. I will not repeat any of the lengthy quotations from statements the Premier made during the campaign and his actions since March 19. My fundamental opposition to this bill is that I regard it not as a motor vehicle tax but as a consumer tax.

I think it is fair to say that the carriers of goods and services in this province will pass the tax on to the customer, and that means the consumer. In effect, we have yet another consumer tax hitting the average taxpayer of this province.

Since March 19, a tremendous amount of criticism has been generated about the budget in general and politicians in this entire institution. I happened to come across an interesting article in Saturday Night magazine. It is written by a lecturer on tax policy, which puts a further perspective on the general level of cynicism about politicians and this budget in particular. I think it relates to how the average person in this province is developing an increasing feeling that he is getting shafted left and right, municipally, federally and provincially.

I quote from Ross Brook's article. He says: "In 1978, there were 2,316 individuals in this country who had assessed incomes of more than \$50,000 but paid no tax, and 96 of these had incomes exceeding \$200,000." Imagine that: 96 people making more than \$200,000 and they paid no income tax.

"In 1979, more than \$30 billion in revenues was lost in the government through tax loopholes. In that same year, all the major banks paid taxes at a lower effective rate than the one the government charged their lowest-paid tellers. In 1979, the feds lost \$6 billion in corporate taxes through loopholes—more than they received from corporations.

"Because of tax loopholes, corporations in recent decades have been carrying a smaller and smaller percentage of the overall tax burden. When all taxes are considered, an astounding fact emerges: Low-income Canadians pay a larger percentage of their income in taxes than high-income taxpayers. This is not only the opposite of the intention of everyone who has tried to make a policy in this field, but the opposite of what most Canadians believe is the case."

Then he goes on to give some examples of tax rates. "For example, in 1979, Cadillac Fairview, six per cent; Stelco, seven per cent; Union Gas, six per cent; Toronto-Dominion Bank, 18 per cent; Power Corporation, 11 per cent."

When the average person realizes the rich are not paying their fair share of the taxes and he looks at a budget like this and sees Ontario health insurance plan premiums are going up, gas is going up, diesel fuel is going up, income tax is going up, alcohol is going up, tobacco is going up—plus the reprehensible ad valorem principle—no wonder he feels he is getting shafted. No wonder he feels cynical about politicians in general and this budget in particular.

Politicians and certain people in the business community love to lecture the taxpayers of this province about inflation and tell them they have to lower their expectations; to pull in the old belt and expect to pay higher costs for a variety of things. The strange thing is, frequently the people who are getting shafted and hit by this budget and by these types of taxes are the ones who get blamed for causing inflation.

If we look at the various increases, the constituent parts of inflation today, what parts are really caused by the average person?

Higher gas costs? Of course not, because the labour content is so minimal we know that the corporations and the government are the two main sources of inflation there.

Higher oil costs? It is the same thing: the oil producers and the government are getting the lion's share of the revenue there.

8:30 p.m.

Higher hydro costs? Again, it is the producer and distributor who are getting the higher profits there.

Higher money costs? We all know how the banks are ripping off people left and right with mortgages at 18 and 19 per cent.

One of the members in this House was telling us that he is paying off loans right now for his companies at 23 per cent. The Mafia did not even charge that five or 10 years ago—

Mr. J. A. Reed: How do you know?

Mr. Samis: I saw the Godfather three times.

Now our great, respectable banks are ripping off people; the banks are charging 23 per cent. Food costs are going up drastically and the cycle keeps going on and on. Yet we have the gall to tell them: "Lower your expectations. Do not expect too much. Do not ask for too much and just grin and bear and take it."

What makes it even worse is to have a budget like this and another tax like this, which just reinforce the whole inflationary cycle and add to the inequities of the whole tax system in this province.

This side offered alternative sources of revenue, if the minister were not to increase this tax. My friend and colleague the member for Algoma (Mr. Wildman) outlined seven or eight areas to which we could have resorted so we would not have to increase this particular tax.

We could have increased the corporation tax by one per cent, which would have brought us \$82 million more. But no, the government would not touch that.

We could have introduced an excess profits tax on the banks which are making huge profits and ripping us off. But no, the government would not touch that.

We could have introduced succession duties for the top three per cent of estates, which could have given us an extra \$50 million. But no, they would not touch that.

We could have ended some of the exemptions and write-offs on machinery and equipment, which would have brought us \$340 million. But no, they would not touch that.

Mr. J. A. Reed: Stealing from the dead.

Mr. Samis: Those are all living taxes there.

We could have taxed the untaxed portion of capital gains in this province, which could have brought us upward of \$315 million. But no, they would not touch that.

The Deputy Speaker: Mr. Samis, you are making your way to the bill, I am sure.

Mr. Samis: That is right, Mr. Speaker—all the way. I am just building up to a climax.

Another one is that instead of this tax we could have taxed resource industries at a higher rate, similar to that of Saskatchewan, which would have brought in \$450 million. But no, they would not touch that.

They could have introduced the land speculation tax instead of this tax. But no, they would not touch that.

Instead of those seven alternatives, they have introduced things like the gasoline tax and the motor vehicle fuel tax. They rejected all the alternatives presented by this party and instead they resorted to policies that are iniquitous, regressive, unfair and cynical.

Just as this party is opposed to the Ontario health insurance plan premium increase and the gasoline tax, we will oppose the income tax and

every other major tax in this budget that we regard as unfair and regressive. We will oppose this tax this evening.

The Deputy Speaker: Thank you, Mr. Samis. Mr. Reed.

Mr. Samis: The representative of the dead.

Mr. Wildman: The voice of the dead.

Mr. J. A. Reed: It is interesting to hear my enemies on my left talking about wanting a return to stealing from the dead and forcing farm families to sell their farms to face succession duties. I have had some cases in my own area where I live where that happened, where families who had been on their farms for generations were forced to sell to pay succession duties. That was a criminal act that fortunately has been repealed. However, that is not appropriate to the bill, and I want to get on with the bill right away.

Mr. Speaker, you know that my party opposed the Gasoline Tax Amendment Act and, in the same manner and for exactly the same reasons, we are opposing this Motor Vehicle Fuel Tax Amendment Act.

I said at the outset of my speech on the Gasoline Tax Amendment Act that I spoke more in sadness than anything else, because in the five and a half years that I have had the privilege of serving in this Legislature, I have never seen such an act of hypocrisy by any party, I have never seen such an act of utter hypocrisy by the government or such utter double dealing. It is a flip-flop of the first water.

I do have the quotations that were made by the ministers of the day and the Premier. Here is one of them—where are we now—the members have heard them all before. The Premier, speaking to the Ontario Progressive Conservative Campus Association, said: "I believe that if we were to have a massive move to world price, the kind of harm that would do to our economy would not only ensure that we followed the Americans down the road to recession, but that we did considerably worse."

Hon. Mr. Ashe: That is true. Valid then and valid now.

Mr. J. A. Reed: Here is another one. This is by the former Minister of Natural Resources, Mr. Auld, on November 16, 1978: "Ontario has long recognized the direct relationship between price increases unrelated to the cost of production and these economic consequences."

One can go on and on through this litany of stances taken over the period of five years

opposing increases in prices initially and now, with a sort of a quiet hiatus over a 12-month period, introducing an ad valorem tax.

In 1976, recognizing that prices of petroleum would increase and were bound to, my party advocated a staged equalized increase in the price of petroleum towards world price. Not to world price, I remind the honourable minister, but towards world price. We know now if that had been implemented in 1976—

Mr. Nixon: All our troubles would be over.

Hon. Mr. Ashe: Would have been paying more for five years.

Mr. J. A. Reed: —it would have triggered the implementation of an alternative fuel system in Ontario. It would have triggered the kind of conservation we rush now in a panic to address. In the last 18 months the price of gasoline has risen 60 cents a gallon. It has come very close to doubling and we now put a 20 per cent ad valorem tax on top of that.

It is interesting to note that with diesel fuel we do not put on a 20 per cent increase; we put on a 27 per cent increase. It is particularly interesting when the government does this great song and dance about the benefits of conservation. Diesel fuel combusts in an engine at about 50 per cent greater efficiency than gasoline. Surely most of my friends on the opposite side of the House would understand that.

The power delivered to the drive train on a litre of gasoline is approximately 20 per cent. The power delivered on a litre of diesel fuel is approximately 35 per cent. In other words, from a conservation point of view it is far more efficient to use diesel fuel. Yet the government chooses to penalize diesel fuel—not even with a 20 per cent ad valorem tax but with a 27 per cent ad valorem tax.

The government is not interested in conservation. It is interested only in keeping power and lining its own pockets. If it were interested in true conservation, it would have implemented staged increases back in 1976. The price would never have reached the price we are facing today because conservation, efficiency of utilization, would have been implemented long ago. Now we are playing this rearguard action.

What makes it worse is that the government does not even pretend to designate one nickel of that money for the alternative energy age that has to come to Ontario within the next 20 years. The government knows it has to come. It is not prepared to commit a nickel but it will use it. It

will ride the back of the average citizen who has to drive to work every day in order to fill its coffers and help to alleviate its gross misspending of the last five years.

I find the hypocrisy, the flip-flop the government has gone through, totally regrettable. It makes me very reassured to be in opposition.

8:40 p.m.

I know the members opposite must feel very uncomfortable tonight being on the government side, having gone through the nonsense of a Minister of Energy who, in response to the kind of program we presented in 1976, put a 90-day freeze on the price of petroleum. What kind of hypocrisy has led to this kind of *ad valorem* taxing tonight?

The Tories do not care. They do not care about conservation. They do not care about the future of this province. As I said before, they care about staying in power; they care about glossing over the mismanagement of funds. That is all they care about.

This party is committed to exposing that over the next four years until the next election. We cannot tolerate this kind of thing. We will continue to oppose and to expose.

Mr. Wildman: Mr. Speaker, we in this party are obviously as opposed to this tax as we were to the gasoline *ad valorem* tax for the reasons that have been mentioned by my colleagues and for the reasons given during the debate on the gasoline tax.

This is a dastardly attempt at a money grab by a government that is in trouble with its fiscal policies because it has been unwilling to tax those in the economy who can most afford to pay and, as a result, it has to dig into the pockets of the ordinary workers and the ordinary people of this province, who have to pay for their gasoline and fuel, those who commute, as we were saying on the other bill, and those who pay for goods that are transported in this province.

The thing that is most unfortunate about this piece of legislation, as it was with the previous bill we discussed, is the fact that this government has made it unclear to all in this province and in this country what its position is specifically on energy pricing.

In the past, whatever our disagreements with it have been, this government has said it is opposed to increases in energy pricing unless those increases are related to the cost of production or to making it possible for this country to become energy self-sufficient or, if it is in the case of taxation *per se*, unless those

revenues would be distributed among the various provinces across the country to distribute the revenue from energy prices. That has been the policy of this government in the past; at least that is what we have been led to understand by various Ministers of Energy, by Treasurers and by the Premier himself.

Now we find, as we did with the other tax, this government apparently is abandoning that position and is saying to the public, to the federal government and to the government of Alberta that in its opinion it is no longer opposed to increases in taxation on energy to assist in fighting a deficit. It is now taking the position that each government in the country, including Ontario's, should get as much as it can, in whatever way it can, and as often as it can, from the ordinary consumers of Ontario.

We understand, as the ministers on the front benches have said in the past, that increases in energy prices would mean loss of jobs in this province. They said that when they were talking about federal increases, and the same goes for provincial increases. A tax is a tax. An increase in the cost of energy affects business and the economy in this province in the same way. It does not matter whether it is a federal tax or a provincial tax.

If an increase of 18 cents a gallon, as was proposed by the federal Conservative government, would mean a loss of 20,000 jobs in this province, as a minister of the crown said in this House, if that was the case a couple of years ago, why is it suddenly acceptable to have an increase in taxation at the provincial level? If an attempt by the federal government to cut its deficit by increasing its revenue through taxes on energy was unacceptable to this government two years ago, why is it now acceptable for this very same government to attempt to attack its deficit through increases on energy pricing and through taxation on the retail cost of energy?

This government was given the opportunity, through a protracted and serious debate on the gasoline tax bill, to defend its position and to explain—if there is any explanation—the reasons for the significant change, the turnabout, from its previous position. Not one member on the government bench, the Treasury bench or the back bench got up and defended it. The only member, the sole member, who spoke was that errand boy for the Treasurer (Mr. F. S. Miller), the Minister of Revenue (Mr. Ashe). Basically, he said nothing except that the policy—

Hon. Mr. Ashe: You gave me only eight minutes to say it.

Mr. Wildman: He says he took eight minutes to say nothing. Wonderful.

I really do not understand why this government would introduce such a measure and then not have the gumption to defend that measure. Not one member on the Treasury bench—

Mr. Samis: Not even René.

Mr. Wildman: René is not on the Treasury bench as yet. He may be in the future.

Mr. Piché: I never thought somebody from northern Ontario would talk about a guy like me. I just can't believe it. How can you talk about me when I am from northern Ontario? You are from northern Ontario and we are supposed to work together. I will not stand for that.

Mr. Wildman: I want to make it clear that I have the greatest respect for the political prowess of the member for Cochrane North (Mr. Piché). I understand fully his concern about transportation costs in northern Ontario. His long record as the president of the—

Mr. Piché: The Northeastern Ontario Municipalities Association action group. Miss, have you got that on the record?

Mr. Wildman: Right, the Northeastern Ontario Municipalities Association action group, a group with which he made his reputation as a "critic"—and I underline the word critic—of the transportation policy of this government. That member got up and talked about the excessive—I think he would agree—

Mr. Piché: Miss, take that off the record. That is wrong.

Mr. Wildman: I think the member would admit that he talked about excessive costs of transportation of goods in northern Ontario. I think he talked about deregulation of the trucking industry at times.

Mr. Speaker, I ask you, how can anyone who is in favour of deregulation support this kind of bill? How can anyone who wants to deregulate the trucking industry support increases in taxation on fuel? That is a terrible contradiction. I do not understand the member for Cochrane North. I think he really has the best interests of his constituents at heart; he just does not understand how to serve those interests. The problem is that he is caught in a bind. He has been given the job of deputy whip, I believe, for the government party.

Mr. Piché: No, government whip.

Mr. Wildman: Government whip. He does not get a limousine like the Minister without Portfolio (Mr. Gregory) though.

Mr. Breaugh: Wait a minute, let us clarify this. Is he whip, deputy whip, or what?

Mr. Piché: Government whip. That is my job.

Mr. Wildman: Whatever. At any rate, he is in a job that involves ensuring that the government members are in the House in order to vote for the Treasury bills.

Mr. Piché: And I am having a hard time.

8:50 p.m.

Mr. Wildman: And he is having a hard time. I can understand that. That puts the member for Cochrane North in a very difficult position. Here he is a man who has established a reputation, some integrity really, in his concern for the cost of transportation for the north, and who has indicated to the government he wants significant changes in transportation for the north in order to lower the cost of goods.

Surveys of prices by the Ministry of Consumer and Commercial Relations show that in northern Ontario on average they have higher prices than in southern Ontario. This member has in the past led a group of municipalities to try to persuade the Conservative Party to change its policy, to lower prices of goods, to lower transportation costs, and then he is given the terrible position of having to persuade his colleagues to come into this House and vote for a bill which will increase the price of goods in northern Ontario. How does that member justify this approach at all? He sits there smiling. I am glad he can smile because he has no answer; he does not know what to say.

On this side of the House our position is clear. We do not accept an approach of added value taxation which basically means that the government is depending on inflation, on increases in fuel taxes, on increases by the producing companies, on increases by the producing provinces, and on taxation increases at the federal level in order to increase its revenue. We do not support that.

We invite the member for Cochrane North, the member for Sudbury (Mr. Gordon), and the other northern members who are concerned about their constituents and concerned about the cost of goods in northern Ontario to stand up for their constituents, to say, "This is unacceptable," and to express to the Minister of Revenue that this is not acceptable. It is not fair to the people of the north. He should advise his colleague the Treasurer that this policy will hurt

the economy of the north and to stand with us and oppose this odious legislation. I ask the member for Cochrane North to get up and say he cannot accept this for his constituents.

Mr. Charlton: Mr. Speaker, I will be very brief. My colleagues have adequately covered most of the—

[Applause.]

Mr. Charlton: Keep up the applause; you encourage me.

My colleagues have covered most of what has to be said on this bill but there are a couple of points I want to add. One is a point that got touched on but never clearly defined in the gas tax debate, and it is also a point that relates directly to this bill. I want to make the point tonight and make it as clearly as I can in terms of the kinds of things that have been said.

We just heard my colleague the member for Algoma (Mr. Wildman) talking about the effect on the economy in the north. It is easy to understand why northern members would emphasize the effects on the economy in the north because the north represents the exaggeration, the extreme in terms of the economic effect this kind of taxation will have. There is no question this ad valorem tax on fuel for the transportation industry will have an effect on the entire economy.

There has been a debate going on in Canada and in Ontario about inflation and about how one beats it. There has been a debate about whether interest rates are inflationary or whether they fight inflation. I have never been sure, but I think this government as opposed to the federal government has at least in its rhetoric, although it has never done anything specifically to deal adequately with the interest rate situation, taken the position that high interest rates are not an aid to the inflation problem, but a cause of it. This government in its rhetoric has spoken out against high interest rates and the problems they cause.

In the view of this party and in the view of a number of the major economists on this somewhat tattered globe we live on, interest rates are the major cause of inflation. They are the major cause of inflation simply because they are the one sector of inflation that affects everything. Bar nothing, interest rates affect everything. We have a government here which has chosen to do nothing substantive about interest rates.

In addition to that, there is one sector that ranks second to interest rates in terms of its effect on inflation. That sector is the energy

sector, which is the only other sector in our economy to affect everything. It affects home heating costs, it affects the cost of personal transportation, as we discussed in the gas tax debate, it affects the cost of transportation of all the goods and services we have in this country—not only those goods and services created here, but imported goods and services.

It also affects the cost of transportation of all our raw materials, and the extraction of all our raw materials, and it affects the cost of production of everything we manufacture in this country, whether it be food products, industrial products or consumer manufactured products. So the energy sector is the second most crucial area in terms of its effect on inflation in our entire economy.

And what have we seen in this budget? We have seen not only a package of tax increases that exclusively affect consumers and taxpayers, as opposed to the corporate and resource sectors in this country, but we have seen tax increases that affect the most crucial sectors of our economy in terms of our ability to deal with inflation and the inflationary spiral we all suffer from, including the Premier (Mr. Davis), the Treasurer (Mr. F. S. Miller), the Minister of Revenue (Mr. Ashe), and all the ministers across the way.

We see major tax increases in the sectors that most dramatically affect our ability to deal with inflation in Ontario in the energy sector. This tax, the motor vehicle fuel tax, although it has not received the same emphasis in the debate here in the Legislature in terms of filibuster and numbers of speakers, will probably in the long run have a far more critical effect on the economy of Ontario than all the dollars and cents that will come out of the ad valorem gasoline tax.

Mr. Wildman: They do not care.

Mr. Charlton: That is a good comment, Mr. Speaker. It would seem the government across the way just does not care.

A year and a half ago, and it has been said a number of times in this House, this government spoke out with some pretty substantial eloquence when the federal government started to meddle in the energy sector in a way that would be regressive in terms of the Canadian economy, regressive in terms of the Ontario economy, regressive in terms of a recession, regressive in terms of the consumer's ability to keep up, regressive in terms of the kinds of jobs that will be lost as a result.

9 p.m.

Now we see this government proceeding in exactly the directions which it criticized the federal government for attempting, and with no commitment to anything other than additional dollars to deal with its deficit. They have no energy plans, no plan to deal with inflation, no commitment to deal with things like interest rates—the number one problem. At the same time, they slap additional inflationary pressures on the energy sector, the second most critical sector that confronts us.

Without going on at great length, this bill stabs at the very heart of all of the rhetoric that has come from this government over the past five years. It is a bill that deals a blow to everything we thought we had accomplished in the minority situation in terms of some compromise approach. It will likely have a greater negative impact on the economy of Ontario over the course of the next five years than any other single measure this government could have dreamed up. This is simply because it crosses all barriers, affects all sectors and puts pressure on the inflationary spiral right across the whole range of our economy—all the areas where we are trying to regain impetus.

For those reasons, this caucus will oppose this bill as we did with the gas tax bill. We will do so with every measure this government brings forward that goes against the very things it has talked about over the past five years in terms of fighting inflation and dealing with the real problems of economic recovery.

Hon. Mr. Ashe: Mr. Speaker, I would like to respond briefly to a few of the points made by the honourable members opposite. I appreciate the brevity with which the points were brought forth in opposition to Bill 73.

There were several points made by a couple of speakers who alleged lack of accountability to the Legislature. I feel I should put on the record—because I did not have the opportunity on the previous bill relating to gasoline tax—that this really is not so.

I appreciate that *ad valorem* means exactly that—each time a price goes up, we get a little more. But that does not lead to the conclusion that the Legislature will never see this bill again. It could very well be, for example—

Mr. Charlton: Yes, we will see it again when you put it up another percentage.

Hon. Mr. Ashe: That is right. That is exactly the point. I am glad to see at least some members opposite appreciate that.

Mr. Samis: That's the word all right—appreciate.

Hon. Mr. Ashe: If we ever contemplate a change in the rate of taxation, it will be the responsibility of the government to bring the bill back to the Legislature and go through the process we have been going through relative to Bill 72 and Bill 73. It cannot be done without the scrutiny of this body.

The member for Erie (Mr. Haggerty) made quite a point about border trade. I find some of that argument inconsistent. We have been hearing that argument from time to time, but on other nights members have been making the point that one of the things that price will do is damp consumption. If you have a higher price that is closer to our American neighbours then there will be less border traffic.

I suggest that once that happened we would be hearing from the same member opposite because he will be getting complaints from his local service stations, restaurants and corner variety stores that their volume of business has declined considerably because they are not getting the traffic from the United States. I hope that is kept in mind if and when that happens.

There are two issues involved in border trade. One is the problem of identifying why people are coming across. Some of them, I think people would agree, are bona fide tourists who come in and spend money in this province. We have some who come across just to fill their gas tanks.

In this particular bill, the greatest comparison is in the trucking industry and there is no doubt, as the honourable member I am sure has seen with his own eyes, let alone in talking to some of the people he represents, that truckers are coming across from the United States, filling up and going back.

If these are nonregistered truckers, in other words, not registered with the Ministry of Revenue on a mileage basis, they are giving us on average \$150 of taxes when they fill the average tractor trailer tank full of gas. Even if they cross right back and use up the roads in United States, the Treasury of this province and indirectly the taxpayers, are the benefactors.

It is hard to know in total numbers how we relate to nonregistered revenues versus registered truckers in terms of revenue, but we do have one statistic that may be meaningful—the estimated gain in tax on nonregistering; that is, truckers who are not registered with the ministry and in effect pay on the basis of mileage used in the province. The gain in tax on nonregistrants over registrants is estimated to be about \$10 million a year. This is on L permit holders only, which is a category licensed by the Ministry of Transportation and Communications.

I suggest that we are by far a net gainer in revenues that truckers put into this province versus revenues that are lost because of pay-back out. The average user is not subsidizing the trucking industry in any way at all.

There were regular references made tonight on Bill 73, as there were on the previous bill, about the change in stance supposedly of this government vis-a-vis our position in late 1979 in response to a proposal for an immediate—I think this is the key word—immediate 18 cent increase in the excise tax proposed by the federal government of the day, trying to say that what we are doing now is exactly the same.

If people really think about that argument they probably would not make it, because over a period of time everybody acknowledged that the cost of motor vehicle fuels was going to increase.

There was some difference of opinion as to what levels. There was talk that it should go to world levels. Some thought it should approach world levels over a period of time. There is a big difference between having immediate large increases, which was our concern about the economy of this province, versus relatively small increases over a period of time which, in total, over even a significant number of years, would not equal the 18 cents that was talked about in that excise tax imposition.

That 18 cents was not even recognizing the normal flow through of so many dollars per barrel that was also to be in the price structure in the near term.

9:10 p.m.

One last point was made by the member for Erie vis-à-vis toll roads. This is a different approach. I would suggest one of the advantages we have in Ontario is no longer having toll roads. In my view, and I would suggest in the view of this government, it would be a backward step to return to that form of revenue raising.

It disrupts the highway system. It is inconvenient and unattractive to both resident and nonresident people. We have felt it is more just, less costly to administer and better for the highway user, to incorporate the revenues needed into a price one pays right at the pump along with the price of the commodity itself.

Reference was made to the fact this is a consumer tax. I cannot disagree with that, but is not all taxation in one form or another a consumer tax? As a matter of fact—

Mr. Charlton: It is funny though. Just two

minutes ago you were talking about all the money the truckers contributed. Now let's talk reality.

Hon. Mr. Ashe: Just ending off, I think I have touched on most of the points that have been made. Reference was made to interest rates and that, next to energy, was the most important—it is probably a misuse of the word—contributor to inflation in this province and in fact the world.

I cannot disagree greatly with that, but one has to recognize this government like any government needs a flow of revenue that has some relationship to the demands for expenditures on a government. When we get a source of revenue that is relatively constant, which even has some indication of a decline and yet the services the government is being asked to supply, even relating to transportation, are on the rise, we obviously have to change our approach to our revenue raising capacities—hence, the ad valorem tax.

I think it is reasonable, rational and justifiable. I am not bragging in saying this, but we are far from being the Canadian leader in going to this form of revenue generation.

On motion by Hon. Mr. Ashe, the debate was adjourned.

ONTARIO PENSIONERS PROPERTY TAX ASSISTANCE AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 78, An Act to amend the Ontario Pensioners Property Tax Assistance Act, 1980.

Hon. Mr. Ashe: Mr. Speaker, this bill implements proposals contained in the 1981 budget as well as other amendments which are necessary to maintain consistency between the grant programs for senior citizens and the Ontario tax credits program for other taxpayers.

As announced in the budget, this bill will make the surviving spouse if aged 65 or older, rather than the estate of the deceased spouse, eligible to receive property tax grants. The surviving spouse will qualify for grants based on a full year's occupancy cost.

The bill will also make a person who lives in a housing unit that is exempt from property tax ineligible to apply for a property tax grant for his or her home. This amendment is similar to one being made to the property tax credit under the Income Tax Act and extends a principle that is already in both acts.

This bill will enable two persons aged 65 or older who married during the year to make

separate applications for property tax grants for occupancy costs that each incurred prior to the marriage. Provisions in this bill clarify which payments a person is eligible to receive if he or she dies or ceases to reside in Ontario during the year.

Three payments are made each year under the Ontario tax grant program. The first payment is the interim payment of the property tax grant; the second, the payment of the sales tax grant; and the third, the final payment of the property tax grant. The entitlement will depend on the status of the person when the cheque for the interim property tax grant or for the sales tax grant is issued or when the application for the final property tax grant is received by the Ministry of Revenue.

The objection procedures of the act are being amended to enable a person to file a notice of objection where a person has been asked to repay a grant to which he or she was not entitled. If a senior citizen is requested to repay a grant, the senior citizen must be informed of this decision and be advised of his or her right to appeal that decision. The amendments in this bill are designed to treat senior citizens more fairly and to improve the administration of the Ontario tax grant program.

Mr. Haggerty: Mr. Speaker, I rise to speak on behalf of the official opposition concerning the proposed amendments in the Act to amend the Ontario Pensioners Property Tax Assistance Act, 1980, with some reservations related to the continued inequity that exists in regard to the province's new senior citizens' tax grants, introduced in the 1980 session provincial budget, replacing the property tax, sales tax and pensioner tax credits. Such credits were previously claimed through federal income tax returns. The simple reason for the change in the program was that the province was heading into an election and the Conservative government felt it was not receiving recognition for its programs. So with the new Legislature last year, the Conservative government began sending out cheques directly to eligible seniors, a sales tax grant of \$50 and a property tax grant of up to \$500, on a twice yearly basis.

I suppose if one looks at the advertising that took place in promoting such a program last year, the government spent about \$1 million. Of course, it was done at the time when the Conservative government was anticipating a provincial election. It could have been in June, it could have been in September, and of course, we got one at Christmas time and one following

that in the New Year just before the election writ. The government pretty well covered itself by having the advertising and the cheques delivered to the pensioners. It was almost like a bribe to say, "Do not forget us on election day."

The official opposition put forward its position in 1980, that the grant system bears no relationship at all to personal income level. In fact, it results in a dramatic shift of money available for seniors to those at the highest end of the income scale. So dramatic is the shift that some of the neediest pensioners actually receive less under the new grant system than they did under the old tax credit system.

We can just look at the continued policy of this government in its announcement of home heating assistance. The government has announced a \$125 million temporary home heating assistance program designed to help an estimated \$1.4 million senior citizens and low income families pay their higher heating bills over the next three years. It is estimated that in 1984 the average home owner will have to pay an extra \$440 a year for oil or about \$205 for natural gas. The program will apply to all senior citizens in the province and to families earning less than \$6,000 in taxable income.

The Treasurer (Mr. F. S. Miller) said the program is intended to cushion the shock, not absorb it on a long-term basis. Opposition spokesmen said it does not go far enough for low income families, some of whom would qualify for no more than \$10 in assistance in the first year. The Toronto Star had an interesting editorial on this particular government policy on June 25. It says: "Scant aid for heating costs: For those under 65, the money will be available as a tax credit where the breadwinner's taxable income is under \$6,000. Where an individual's income is so low that he or she pays no tax, the money will be paid next spring in the form of a tax refund." They have to wait almost a year before they get some assistance in this particular area.

It goes on to say: "The second thing wrong with the program is that Miller proposes to pay outright grants to all over-65s regardless of their incomes. While this is in line with current provincial practice—the elderly also get grants instead of tax credits for property and sales tax—that practice is wasteful, should not have been inaugurated and should not be perpetuated."

9:20 p.m.

We on this side do agree with providing additional assistance to pensioners. The new

Ontario Pensioners Property Tax Assistance Act eliminated the pensioners' tax credit of \$110. Also, under the old system tax credits were reduced by two per cent of the taxable income to ensure the greatest benefit went to those pensioners in greatest need. Under this present scheme, it does not do that, it works in reverse. This is no longer the case under the new grant system. The more property tax or rent paid, the greater the tax grant received up to a maximum of \$500 regardless of income level.

The oil assistance scheme helps to defray the increased home heating costs but well-to-do pensioners could take off for the warmer climate in Florida, as they usually do, and say, "That \$60 is going to provide me with one more month's rent. I can stay down there another month." That is what the government is proposing and this is the way it is working with the pensioners' assistance scheme.

The provisions of this bill tighten up the eligibility requirements of the property tax grant. It requires partial payment of any grant received by a pensioner who dies during the year. It also tightens up the definition of a housing unit to specifically exclude any premises which are exempt from the payment of taxes levied under the Provincial Land Tax Act, the Local Roads Boards Act or taxes for municipal or school purposes levied on real property. This results from the mismanagement of the program that first year, in which many pensioners and senior citizen residents who did not pay property taxes applied for and received the property grant. The government is still trying to get the money back.

We on this side tried to amend the previous act with a clause that would have ensured any pensioner would not receive any less under the new grant system than he or she did under the old tax credit system. Since we have asked numerous questions on this throughout the year, I would view support of this bill as inconsistent with our position on this new tax grant.

I know of some cases where persons resident in nursing homes are receiving property tax assistance. In fact, it can be up to \$500. It is costly for many of those persons who are paying to stay in a private institution. I find too there are in some cases persons in homes for the aged or in a government institution who are paying part of the cost of their maintenance in these homes. I do not think they become eligible for such a grant under this. I would ask the minister to consider refunding a portion of this tax to

those persons who are paying partial support for their maintenance in a government institution, home for the aged or whatever. This is an area in which I have encountered some problems and I am sure other members have. We should be looking at this.

There was nothing wrong with the original program the government had in which all persons received some assistance, whether they were in homes for the aged or public institutions funded by the government. If that money had gone to that residence for those persons, surely it could assist them in the cost of maintaining a proper environment for many of the elderly citizens. They could have used it because there is dire need for additional support for these institutions.

I refer the minister to the problem of funding additional resident care in the Niagara region. There is a backlog. More persons are trying to be accepted into homes for the aged. If there was sufficient funding by the province they could be building additional facilities there to relieve the backlog of persons wanting to find resident care in these homes.

The official opposition has always supported government measures for reducing the municipal tax burden on senior citizens and those persons on fixed incomes, and we still pursue the need to remove any inequity in the present property tax assistance program. In the 1977 election the government did bring forward changes to enrich the property tax credit from the basic credit of \$290 to \$510. All parties supported the measures providing financial assistance to reduce the constant increase in the municipal tax burden that had shifted on to senior citizens, lower income individuals and families.

We support the bill in principle, but I have raised some particular areas of concern to us here: that perhaps there is funding under the present scheme which should not be going to those persons who are not in great need of it, that some of it should be passed on to those in greater need. We support the bill in principle.

Mr. Charlton: Mr. Speaker, I rise to speak on Bill 78, and I have to say that we in this caucus cannot even find it in our hearts to support this bill in principle.

We have no serious objection to the basic housekeeping sections of the bill, the sections that deal with senior citizens who are deceased during the course of a tax year. However, we find, as we did last year, the basic approach of

this government to senior citizens and tax credits, or tax grants or whatever we want to call them in Ontario, objectionable.

The minister was not the Minister of Revenue last year, but he was here in the House, and he will recall the concerns that were raised last April when the new seniors' tax grants, both the sales tax grants and the property tax grants, were introduced in the budget of 1980. He will recall some very serious criticism that came from the official opposition and from this party, and he will probably also recall a number of changes that were agreed to by the Treasurer (Mr. F. S. Miller) as a result of some serious concerns that were raised by my colleague from Downsview (Mr. Di Santo). However, the changes which were made in that bill last year did not deal with all the concerns we had.

I want to refer the minister to the basic argument which the Treasurer used last year, and which the minister will probably use with us tonight, about these new seniors' property tax grants. The arguments were that this is a property tax grant, and it should not go to anyone who does not pay property taxes. Unfortunately, as we attempted to point out last year and as I will point out again tonight, in their hypocritical rush to establish this new grant and at the same time cut off a substantial number of senior citizens in this province from any of the dollars in assistance they had received in the past, the Treasurer last year and the Treasurer again this year and the Minister of Revenue last year and the Minister of Revenue again this year, judging from the comments he made moments ago, are failing to admit to the people of Ontario and to the bulk of the seniors in Ontario who still receive some kind of grant that it was not exclusively a property tax grant for seniors which they eliminated in the creation of this new grant.

Since the Treasurer and the Minister of Revenue of this province have suggested to members on this side on numerous occasions in the past that we cannot compare apples with oranges, I would like to suggest to the Minister of Revenue (Mr. Ashe) that the same is now true—and was true last spring—of this new seniors' property tax grant.

9:30 p.m.

The minister cannot stand up in this House and tell us that this is a property tax grant and nobody who does not pay property taxes should receive it when that is not what he is eliminating and replacing. This government replaced the Ontario property tax credit, the Ontario sales

tax credit and the Ontario senior citizens' tax credit with this new program. Let us take a look at what that means. The property tax credit under the old system was surely a property tax credit and nothing else. Perhaps it was inappropriately designated and perhaps some people who did not even pay property taxes collected that grant. There may have been some loopholes in that legislation. If the government had brought those loopholes to our attention, we may have been prepared to sit down and talk reasonably about those changes.

However, this government also replaced something in this province that was called, and was intended to be, a credit for senior citizens, period. It eliminated that credit altogether. This government has not in any way reflected the elimination of that seniors' tax credit in the new seniors' tax grant system in Ontario. Not only has the government corrected the purity of the property tax credit program—as it tries to claim—but it has eliminated a program that existed just a year ago, a program intended to benefit senior citizens regardless of whether they paid property taxes, sales taxes or anything else. It eliminated a program intended to assist senior citizens as a result of their record of taxation over their lifetime and as a result of their being senior citizens, living on reduced incomes as compared to their working years.

We have to oppose this bill because in its redefinition of housing units it further restricts the payment of tax assistance to senior citizens in Ontario. It further restricts the ability of senior citizens in Ontario to cope with inflation and rising costs. What is worse, what is most objectionable about this bill and the bill we passed last year in the budget, is that the senior citizens who are affected by these new changes—in the same way as the senior citizens were affected last year in the first group that was excluded from the new grant—are those at the bottom of the income scale, those who live in subsidized housing.

You know as well as I do, Mr. Speaker, that those who live in subsidized housing—whether it is government operated or privately operated by a charity somewhere in this province or by some organization that receives a tax exemption from the municipality in which it operates—are no different from the people we spoke about here in the House last year. They are people at the very bottom of the income scale, people who are living on guaranteed income supplements from the federal government and the province. There are those people who can least

afford to lose a single nickel, let alone the potential for several hundred dollars under the changes in this act. We cannot accept the loss to these people this year any more than we could the losses and the reductions in grants that were caused for some people in last year's bill.

The minister made some comments just this afternoon about the good position the senior citizens of Ontario are in. We urge the minister and the Treasurer and the Premier to reconsider the position they took last year and have taken this year. We urge them to think seriously about getting rid of the inconvenience they put many senior citizens through over the course of the last year. We ask that they get rid of the restrictions they put on many senior citizens, the reductions in grants they have given to many and the elimination of grants they have given to many more.

We urge that they seriously and honestly deal with what they were trying to avoid last year when they created this new senior citizens' grant structure. We ask that they deal with the question of getting on with the job in an honest and fair way related to the economic changes since 1974. We urge them to make some fair and equitable changes to the Ontario tax credit program right across the board for all the people in the province who have been hit by inflation, whose tax credits have been reduced or disappeared.

We ask the government to stop avoiding the reality of having to face revisions in that tax credit program for all the people in the province who are deserving of assistance in that program. We ask the government to get on with that job and to stop tinkering around with the lives of senior citizens in their efforts to make it look like they are making things better for seniors while ignoring those seniors they have eliminated from the program and ignoring all the rest of the people in Ontario who are in as serious need of financial assistance as seniors—our disabled, our mentally retarded, our people who have been out of work and unable to provide themselves with the kinds of substantial incomes they may have earned in the past.

For all those reasons, we find ourselves in the position of not being able to support this piece of legislation. I again strongly urge the government to reconsider its position and get on with the job of dealing fairly with tax credits and tax reform in Ontario.

Ms. Bryden: It seems rather ironic, Mr. Speaker, that during Senior Citizens' Week we find no crumbs in this bill for the seniors who

really need help. Last year, the new pensioners' tax grant came in and it was some improvement for seniors. But now inflation is already eroding that benefit and there is no provision in this bill for indexing the pensioners' tax grant to make up at least for the tax increases which are coming across from the municipalities of this province. It has been estimated they may be as much as 10 per cent. The seniors who got a benefit last year through this act will be 10 per cent worse off this coming year.

I think in Senior Citizens' Week it would have been nice to have had an amendment brought in to index that grant, to show the government is really concerned about providing tax relief for seniors and helping them to stay in their own homes, and that it really does recognize it is a lot cheaper to help seniors stay in their own homes than to take away their means to pay the taxes and have them end up in institutions.

9:40 p.m.

I think seniors are entitled to live their final years in dignity and in a way to which they have been accustomed. This bill tightens up a few parts of the previous act. It certainly needed tightening up in that it was one of the worst designed pieces of legislation that ever came into this province.

An hon. member: The first buyer's home grants were just as bad.

Ms. Bryden: Yes, my colleague mentioned the homebuyers grants, which was also a very ill-designed policy of handing out money with few controls and administrative costs that snowballed because the scheme was so poorly thought out.

Last year we were told the administration of this program cost about \$3 million. This year it will probably be up to \$4 million. That is twice what the previous tax credit scheme cost. That extra \$2 million could have been used for many seniors who are not getting anything under this new grant system.

As my colleague mentioned, a considerable number of seniors in this province got money under the tax credit system that this pensioner's grant system replaced and they are not getting anything or getting considerably less under this new scheme. The minister will say, "We changed the principle. It is now strictly a property tax relief measure. It is not a measure of assistance for seniors generally."

But I do not think the government should take income away from people who are in their senior years, income they had been counting on,

that they had been given because they were seniors and because it was recognized that over the years they had made a great contribution to this country and had not been able to save any great amount of money. Many of those people have unfortunately ended up in institutions, charitable homes, homes for the aged, nursing homes and so on.

They naturally cannot afford to pay all the costs of those again because they had no opportunity to save, to buy insurance and to build up incomes. But that they should be denied the benefits they were getting from this government under the tax credit system seems discriminatory. Those people had been counting on those payments. They see their neighbours getting more than they got before. They also see the very well off getting up to \$550 under the new scheme and yet they ended up with \$50.

I think that is the greatest indictment of this program—that it was not designed to deliver money to those who really needed it. It could have been designed that way.

The old property tax credit system was eroded by inflation. Certainly for those who are still under it, it is much less a benefit than it was when it was brought in. That is the fault of the government, which has not kept it up to date with inflation. It is saving money by keeping that property tax credit at its present level with a fixed base.

The property tax credit system could have been revamped so that the money flowed to the pensioners when they got their tax bills, but it still could have been based on an accounting at income tax time so those who did not need it would in effect pay it back.

The government refused to look at that sort of sensible program which would see that its dollars went where they were most needed because it did not want to give tax relief to the pensioners. It wanted to give relief to the Conservative Party which was in desperate trouble over its policies for senior citizens.

It had been promising them tax relief ever since 1977 and nothing happened until late in 1980 when there was an election looming. It chose the most costly and inefficient method of giving that tax relief. The kind of loophole that should be closed in this bill is the loophole which allows the money to be sent to those who do not need it and which does not give adequate money to those who do.

The other change we would like to see in this bill is to put in a provision that no one who

received money under the previous property tax credit scheme should receive less under this new legislation than they would have got under the old scheme. It is a sort of grandfather clause. It would not necessarily apply to people coming under the scheme now but it would certainly ensure that no one who was getting credits under the old scheme would have less.

I think that is the least this government can do in justice to those people who have contributed to our society over the years and who have suddenly discovered they are not very valuable because they have been unfortunate enough to have to spend their time in institutions. I hope the minister will reconsider and bring in an amendment to change that section of the bill.

I find the clause defining the excluded group to be very general. It does not even seem to say if a private institution pays property taxes there will be any credit for the residents of that private institution or nursing home. I understood this was supposed to be property tax relief and I am sure the people who pay part of the fees in those institutions are paying for property taxes.

That part of the definition should be clarified as to whether there is any relief under this bill for people in institutions who pay some property taxes and where the residents also pay part of the cost.

It is very disappointing that we do not find anything for pensioners in this year's legislation. All they are going to find is their taxes have gone up in many areas. They are going to be paying part of that \$600 million that all of us are paying.

Mr. Grande: Mr. Speaker, I would like to make a few comments on this bill. The fact is the Minister of Revenue sees fit, once the government makes a mistake, to try to retrieve some of the money. I do not know how much money has gone out that the minister is going to try to retrieve. There is an old saying that those who cause the problem should be responsible for that problem. They are the ones who made the mistake. The minister should accept the fact he made the mistake and then write that off. That is the first point I want to make.

Second, I want to pick up where the member for Beaches-Woodbine left off in terms of finding out how hard the Minister of Revenue questioned the Treasurer prior to the budget being brought down. Did he say, "We did give \$500 to the senior citizens last year. The reason for that in last year's budget was to make sure that for a good number of those senior citizens—

9:50 p.m.

The minister is listening somewhere else, and I would appreciate his attention. However, whether the minister listens or not, I guess does not make that much difference—

Hon. Mr. Ashe: I am listening. I don't have to look you in the eye to be listening.

Mr. Grande: No, no, it is all right.

The fact is that in last year's budget the reason for the introduction of the \$500 senior citizen's grant was first, to create a visibility for the province of Ontario. The minister or the Treasurer thought the senior citizens did not know where the property tax credits were coming from and felt as a province, as a government, they were not getting the credit where the credit was due.

The government said, "For a good number of those senior citizens that represents almost the total property taxes they will pay." That may be fair enough. I have not looked into the statistics. However, I have had quite a number of senior citizens come to my riding office complaining they are getting much less as a result of the \$500 than if they were doing it under the old system. That was last year.

Across the province property taxes have increased between 10 per cent and 15 per cent. Will not the senior citizens, with that \$500 they received last year and the \$500 supposedly they will receive this year, be losing more than they did last year as a result? In other words, since the government has never enriched the property tax credit for a good number of years, are they going to fall into the same problem by not enriching this \$500 grant to reflect the property tax increases in each of the municipalities across Ontario? If the government has no plans to do that, pretty soon a large number of senior citizens are going to be receiving less money through the \$500 grant than they would under the old Ontario property tax credit.

Therefore, maybe the minister can provide an explanation as to why there have been no increases for senior citizens to reflect the property tax increase. The government saw that the senior citizens could not afford to pay their property taxes. What increase is there for the senior citizens since that \$500 is going to be between 10 per cent and 15 per cent less this year than it was last year?

Hon. Mr. Ashe: Mr. Speaker, I'll try to be brief, but there are a couple of points I should touch upon—particularly in the way of clarification. There seem to be one or two points of misunderstanding that came out of the comments that were made tonight.

Working backwards, the last speaker made reference to the fact that whoever made the mistake in terms of grants should pay for that mistake. Basically, we concur with that. The first mistake was made by those who signed an application form for which they were not qualified. I am not suggesting it is anything beyond a mistake that caused that to happen. People who were ineligible did apply. They made the first mistake. True, there were other mistakes following that, which I do not deny, but I think they are pretty well all cleared up now.

Ms. Bryden talked about Senior Citizens' Week and the fact that there is no indexing in property tax increases. Again, that is true. The plan's maximum has not been changed in any way, but there are two ways groups of people can qualify. A relatively small number of seniors who get married this year can now get more under the amendment by being able to claim tax before marriage from both partners; previously, there was one \$500 maximum.

I appreciate this does not touch a great number of people, but it does a few. More important, I think, is we know from experience that with the maximum of \$500 not everybody qualified for \$500. I recall it was the property taxes, or 20 per cent of the rent payments, up to \$500. There was still room for many to absorb rent increases and/or tax increases and be able to get more of a grant—again still up to the \$500 limit.

In clarification, the housing unit definition is basically changed very little from before. It is more a clarification than a narrowing to any great degree. It was felt there was some confusion before, and we were trying to clarify it as much as possible.

Of course, beyond that there is no doubt if somebody in a private institution is paying the full cost of care with no government subsidies, and if that institution pays property taxes, those people would be eligible for a property tax grant. Again, I appreciate not great numbers of people fall into that category; I acknowledge that, but they would not be excluded.

Last but not least—and it has been touched upon by many—this is a property tax grant. It was designed to do that, and I think it has been doing it very successfully. It was a change from the seniors' tax grant and the credit plan through the income tax system; and with the elimination of the seniors' tax credit some got less, there is no doubt about that.

The government recognized that loss with

changes in other programs. For example, the \$50 sales tax credit grant was higher than people got before, generally speaking. The Gains increase, the passthrough of \$10, again completely offset the \$110 credit. And of course, last but not least, we did give a complete flowthrough of the federal supplement of \$35 a month. So again, seniors did get it, albeit from a different program.

On motion by Hon. Mr. Ashe, the debate was adjourned.

INCOME TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 77, An Act to amend the Income Tax Act.

Mr. Nixon: Are we going to do this again? Has the minister got anything to say about the bill? No? He has nothing to say. Our critic would like to say something.

Mr. Haggerty: Mr. Speaker, I thought perhaps the revenue minister would have something to say on this bill. In speaking to Bill 77 I suppose I can say only one thing: that we in the official opposition are opposed to such measures. I can outline some of the reasons for it.

As I look at the record of the Tory government over the last 10 or 11 years, I find that in 1970-71 the personal income tax generated some \$992 million and in 1981-82 the budget presented by the Treasurer (Mr. F. S. Miller) just recently will generate \$4,380 billion. This is about a 342 per cent increase in an 11-year period, and that averages, if my figures are correct, about 31 per cent a year. If we look at that area we wonder why on earth the government is bringing forward an amendment to the Income Tax Act—increasing it from 44 per cent to 48 per cent.

I ponder this; I am concerned about it. I think about some things said by the government over the last number of years in relation to opting out of taxsharing.

10 p.m.

This is by the former Treasurer of Ontario, John White. It is what he had to say concerning the meeting of the ministers of finance in Ottawa on May 8, 1973. Quoting from page 13, he said:

"The new inflation indexing proposal dramatically magnifies these losses by reducing the revenue growth capacity of personal income tax, upon which the provinces rely heavily to finance essential public services and to maintain the progressivity of their total tax systems.

"The federal indexing proposal would esca-

late exemptions and widen the taxable income brackets each year by the previous year's rate of price inflation. Since Ontario and eight other provinces utilize the basic structure of the federal income tax, indexing would automatically apply to their provincial income tax. As a result, the growth of Ontario's personal income tax would fall dramatically—from an average of 19 per cent to perhaps 14 per cent per year. Assuming a four per cent inflation rate, the initial effect of the federal indexing scheme would be to reduce Ontario's revenue growth from the personal income tax by \$80 million in 1974. . . By 1977, Ontario's income tax revenues would be decreased by some \$500 million."

That is sheer nonsense because that has never happened. If one looks over the record of the additional revenues generated by Ontario in the budget reports year after year, it shows the government, through a high inflation rate and increased personal income of wage earners in the province, had generated millions of dollars of additional revenue for the province without any tax increase.

He goes on to say federal-provincial fiscal arrangements provide that the provinces will be ensured an income tax yield equal to the yield of the income tax system as of December 31, 1971. He further indicates the federal Minister of Finance has reaffirmed the compensation for provincial losses from tax reform, from May 8, 1972, budget changes and from the exemption increases in 1973, adding, "Although there is no clear commitment to also cover indexing, the Ontario government expects a commitment today that the federal revenue guarantee will compensate for the large revenue losses to the provinces from indexing."

The Premier was reported in the Toronto Star of June 18, 1980, as being very critical of Ottawa's new tax proposal: "Ottawa's Tax Plan 'Devious, Unfair,' Davis Tells Group." I suppose that word has come up quite often in the debates here in the last two or three weeks in relation to tax increases. It says, "Ontario Premier William Davis has lashed out at Ottawa's proposal to abolish the indexing of the income tax to inflation as a 'devious' tax increase. Davis, in an address to a conference on the future of manufacturing in Ontario, noted that eliminating indexation would raise about \$1.4 billion for the federal government and a sorely needed \$250 million for Ontario.

"Nevertheless, I must say that abolishing the index of the personal income tax, a reform which has largely protected the wage earner

from automatic and yet unfair tax increases, would be quite unacceptable.” He goes on to say that that fuels inflation. “Davis said eliminating it ‘would only fuel the menace of inflation and further damage essential trust in government.’” The Star goes on to say, “Inflation, which ran at nearly nine per cent last year, pushes taxpayers into higher tax rate brackets, increasing the government’s tax take.”

That is the point I thought I would bring to the attention of the Minister of Revenue. The government has lost nothing in its revenues over the years. It is outlined in the budget report that year after year this government, through increases in wages and income, has generated a substantial amount of income tax for the Minister of Revenue and the Treasurer of Ontario.

One would have to question the principle behind the government’s thought in increasing income tax to 48 per cent. There is no mention in the Tory promise that there would be any tax increase of four per cent, particularly as it relates to the Income Tax Act. When I look at the areas of inequity within the Ontario taxation system, I see the increase under the Gasoline Tax Act and the Motor Vehicle Fuel Tax Act. The Retail Sales Tax Act will still apply to a number of goods in Ontario and actually there is no need for the increase in the income tax. If one looks at the expenditures over the years by this government, I feel the government is perhaps at fault because it shows the mismanagement of this government in this area.

They have actually spent beyond their means in a number of areas that one could get into. If I look into the 1981 budget report, particularly as it relates to the industrial area of taxation in Ontario and the concessions given to the corporations over the years, I often think about the grants that were given to the forest industries in Ontario, particularly to the paper industries. Huge grants were given to them, both by the provincial government and by the federal government.

There are indications that huge profits will be made this year in that industry. The government did not move to take another look and say there were huge profits made in the corporate sector and they should be picking up a share of the tax increases in Ontario. I find this is not so.

I think about the grants that were given to the forestry and paper industries to assist them in renovating and purchasing new equipment to modernize their plants. I wonder what happened to the depreciation allowance. I thought this was a fair way to give some assistance and

tax relief to the industries. This depreciation allowance on the wear and tear of equipment would be money set aside under good management to provide revenue to purchase new equipment, to modernize their plants and to bring them up to date. Apparently the depreciation allowance has gone to the corporation and to the shareholders. All of a sudden they are coming back to the government and saying, “We need some help to modernize our plant.”

I do not think this is a fair way to go about taxing the individuals in Ontario. The government has hit them harder this time around than at any other time. I suppose it will be three or four years before they go to the polls again and they think people will forget it. I do not think they will. When I think of the Minister of Housing (Mr. Bennett) sitting over there giving \$42 million in assistance to the developers of this province, a grant of \$4,500 for each unit constructed—

Hon. Mr. Bennett: You have not been listening very well.

Mr. Haggerty: I have been listening, but let’s take a look at that. One of the hardest things for the individual person in Ontario is the high interest rates. If the minister wanted to be serious about creating jobs in Ontario—

Hon. Mr. Bennett: Talk to your friends in Ottawa. They control the interest rates.

Mr. Haggerty: I have listened to the Minister of Housing for a number of days. He should just sit and he might learn something.

Hon. Mr. Bennett: I am sitting back listening; just don’t confuse the issue.

Mr. Haggerty: All right. He should have taken that \$42 million and subsidized those persons who bought homes and are paying renewed mortgages.

10:10 p.m.

Hon. Mr. Bennett: Talk to the member for Parkdale (Mr. Ruprecht). You and your leader—

Mr. Haggerty: Oh, yes. That would be too easy a way to give the average wage earner a break. The government would not do that; it wants to sock it to him, go to his pocketbook.

Hon. Mr. Bennett: Your federal friends are the ones who are doing it, not us.

Mr. Haggerty: There was one lesson to be learned at the time of the American Revolution back in the 1700s—

Interjections.

Mr. Speaker: Order.

Mr. Haggerty: One of the things that was said to the government of England at that time by members of Parliament was, "If you keep your hands out of the pockets of the American people they will go along with us and live under our rules." But the government of that time said, "No. Tax them and tax them and tax them again." So I suggest to this government there may come a time we will have to look back to the year 1837. This is the same kind of government as the Tories of that time, hitting the average wage earner in Ontario on taxation. It is taking him to the—

An hon. member: To the cleaners.

Mr. Haggerty: —to the cleaners, as my friend says. I suggest this is the wrong approach to take.

The four per cent increase in personal income tax is going to add to the inflationary cost in Ontario, and I use the United States as an example again. In United States policies there have been no new tax increases; in fact, the new administration says, "Reduce the taxes." But over there the inflationary rate has come down and the costs of goods are not as high there as they are here. I grant we have two things in parity with the United States, that is, wage parity in the automobile industry and parity in the interest rates, but that does not have to be so. In this particular area the government is at fault, because of the blooming years it has gone to the United States market to borrow money to finance heavy expenditures within Ontario Hydro.

It is odd that this year the government has said, "We are going to go to the Canada pensions to help finance some of those schemes for Ontario Hydro." I suppose if the government had not milked the Canada pension plan, the wage earner again, it would have been further and further into debt. It has not added much back into the Canada pension plan or any other provincial pension scheme.

In fact, this is another area where the government is talking about attaining additional revenues to go for a provincial pension plan. I hope the government does not move in this area, because I feel the taxpayer, the wage earner, will be taken on that one too. Of course, when the government moves into that area it is for only one reason, and that is to bail out the government on its heavy expenditure and heavy debt. Ontario Hydro has put Ontario into considerable debt and, of course, it is backed by the ministry here.

I suggest that borrowing money offshore, as this government has permitted different gov-

ernment agencies such as Ontario Hydro to do—in fact, even the government of Ontario and all the provinces throughout Canada, every time they want to get into a provincial scheme to improve on their natural resources, to improve on productivity, they have gone to the American market to get the money. This is what is killing us here, and it is one of the reasons the government has to increase the personal income tax, to cover this great loss.

There are areas of revenue here that would perhaps be of some assistance to the government. I think particularly of the savings that are in the present bank accounts across Ontario and Canada—I think they run somewhere around \$60 billion. This is an area I thought this government would be looking at. Here we have a provincial bank in Ontario that sits by and does nothing. We have to look to other banks to provide us with some funding. We have the Ontario Development Corporation and different development agencies that are funding in this particular area. The government should be putting the provincial bank to work for the people of Ontario. I suggest that is one area we should be looking at. I have often heard my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) get into this particular area and say, "Put it to work for the benefit of the people of Ontario. Let them be in competition with the Bank of Canada, the Toronto-Dominion Bank, the Canadian Imperial Bank of Commerce, all of them."

Interjections.

Mr. Haggerty: I understand there is an agreement between the House leaders that we should adjourn at 10:15 p.m.

On motion by Mr. Haggerty, the debate was adjourned.

MOTOR VEHICLE FUEL TAX AMENDMENT ACT

(concluded)

Resuming the adjourned debate on the motion for second reading of Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act.

Hon. Mr. Ashe: Mr. Speaker, I think I covered most of the issues and points that were made in the debate in my previous remarks. With those remarks and covering the points the various members brought forward, I hope I have satisfied most of the concerns and that we will have full support for this particular piece of legislation.

10:45 p.m.

The House divided on Hon. Mr. Ashe's motion for second reading of Bill 73, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Mitchell;

Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Breaugh, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Epp, Grande, Haggerty, Johnston, R. F., MacDonald, Mackenzie, Mancini, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, Peterson, Philip, Renwick, Riddell, Ruston, Samis, Sargent, Stokes, Swart, Van Horne, Wildman, Worton, Wrye.

Ayes 61; nays 37.

Ordered for third reading.

ONTARIO PENSIONERS PROPERTY TAX ASSISTANCE AMENDMENT ACT

(concluded)

Resuming the adjourned debate on the motion for second reading of Bill 78, An Act to amend the Ontario Pensioners Property Tax Assistance Act, 1980.

Hon. Mr. Ashe: Mr. Speaker, in closing this debate, I would hope that the honourable members would support the amendment to the Ontario Pensioners Property Tax Assistance Act.

10:50 p.m.

The House divided on Hon. Mr. Ashe's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Conway, Copps, Cousens, Cunningham, Davis, Dean, Drea, Eakins, Eaton, Edighoffer, Elgie, Epp, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Haggerty, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, Mancini, McCaffrey, McCague, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, G. I., Mitchell, Newman, Nixon, Norton, Peterson, Piché, Pollock, Pope, Ramsay, Riddell, Robinson, Rotenberg, Runciman, Ruston, Sargent, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R.;

Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye, Yakabuski.

Nays

Breaugh, Bryden, Cassidy, Charlton, Cooke, Di Santo, Grande, Johnston, R. F., Laughren, MacDonald, Mackenzie, Martel, McClellan, Philip, Renwick, Samis, Stokes, Swart, Wildman.

Ayes 82; nays 19.

Ordered for third reading.

The House adjourned at 10:56 p.m.

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Adjournment	2124

SPEAKERS IN THIS ISSUE

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
Bryden, M. H. (Beaches-Woodbine NDP)
Charlton, B. A. (Hamilton Mountain NDP)
Cureatz, S. L.; Deputy Speaker (Durham East PC)
Gordon, J. K. (Sudbury PC)
Grande, T. (Oakwood NDP)
Haggerty, R. (Erie L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Piché, R. L. (Cochrane North PC)
Reed, J. A. (Halton-Burlington L)
Ruston, R. F. (Essex North L)
Samis, G. R. (Cornwall NDP)
Wildman, B. (Algoma NDP)



No. 61

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, June 26, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

Friday, June 26, 1981

The House met at 10 a.m.

Prayers.

APPLES

Mr. G. I. Miller: Mr. Speaker, on a point of privilege: I rise to bring to your attention the fact that the apples on the members' desks are there with the compliments of the Norfolk Fruit Growers' Association. I know that an apple a day will keep the doctor away, and they will probably make all the members have a good summer.

They are from the low-oxygen, controlled-atmosphere storage facility that was opened yesterday in Simcoe. It was their seventy-fifth anniversary, and the apples are compliments of the association. They are going to make a good production towards supplying the needs of Ontario and the world market.

Mr. Smith: Mr. Speaker, I have a pleasant point of privilege for a change.

Mr. Speaker: Thank you.

Mr. Smith: First of all, I hope the doctor that the member for Haldimand-Norfolk (Mr. G. I. Miller) is trying to keep away is either the Minister of Labour (Mr. Elgie) or the Minister of Education (Miss Stephenson), and not me, but one never knows.

Interjections.

Mr. Smith: One cannot be sure.

FAMOUS PEOPLE PLAYERS

Mr. Smith: Mr. Speaker, I rise on an unusual point of privilege to give some credit to the government. Last night I had occasion to view a production by a group known as the Famous People Players. These are people who perform in black light using fluorescent material, and it is an absolutely remarkable form of production, which has won great recognition in Canada. It is a brilliant Canadian concept, which has no duplicate in the world anywhere. It has been widely hailed in the United States on the tour recently. I think it is a performance that all of Canada should be very proud of.

The remarkable thing about it—even apart from its tremendous artistic merit—is that the vast majority of the people performing are

retarded adults who have been organized into a troupe of highly professional players by one Diane Dupuis, who is obviously a person to whom we all owe a great deal.

I was pleased to note in the program that assistance has been received from the Ontario Arts Council and from Wintario, I believe. I think this is something the Ontario government deserves credit for and something that more Canadians should know about, because in my view it is a great Canadian achievement, which can bring meaning to the lives of every human being, frankly, and pride to the hearts of Canadians.

LEGISLATIVE INTERNS

Mr. Speaker: With the indulgence of the House, I wish to express our thanks and acknowledge the service of the 1980-81 Ontario legislative interns by reading their names into the record: Rob Campbell, Gordon Cochrane, David Doherty, Robin Esco, Terri Hilborn, Roberta Jessup, Naomi Overend and John Wright. I am sure all members join with me in thanking them very much.

GOVERNMENT PROTECTIVE SERVICE

Mr. Speaker: Before proceeding with the routine proceedings, I want to make a report on a matter raised by one of the honourable members.

I indicated I would be providing a further report concerning recent incidents involving the Ontario Government Protective Service. My inquiries have yielded the following information: The incidents took place between May 3 and May 6 in the main legislative building, not in or about this chamber and, I might point out to all honourable members, in an area of the building over which the Speaker does not have jurisdiction. The main disturbance occurred on May 6, when two members of the Ontario Government Protective Service were suspended from employment. One of these members, a probationary employee, was released from employment on May 13.

Subsequently, four members of the Ontario Government Protective Service launched a total of 22 grievances. The union communicated

these grievances to the Deputy Solicitor General by letters of May 12, May 14 and June 12. The letters indicated that the grievors would like to begin at stage two of the grievance procedure. The stages of a grievance procedure are set out in the collective agreement on working conditions. Stage two requires the deputy minister or his designate to hold a meeting with the employee, followed by the giving of a written decision. If still dissatisfied, the grievor may apply to the grievance settlement board for a hearing.

The Deputy Solicitor General has designated the deputy chief coroner, Dr. Ross C. Bennett, to meet with the grievors and their representatives and to reach a decision as required by the collective agreement. The merits of the dispute therefore will be determined by the hearing officer. I do not propose to comment further at this time. I might also mention, as I did earlier, that this entire matter appears to be beyond my jurisdiction.

SPECIAL WARRANTS

Mr. Speaker: With reference to a matter raised by the member for London Centre (Mr. Peterson), I wish to advise the House that it is a matter for legal or judicial interpretation, and therefore I am not competent to rule on whether it does or does not constitute a matter of privilege. Assuming that it does, I must again point out to the House, as previous Speakers have on a number of occasions, that it is not part of the responsibility of the Speaker to investigate and report back on matters of privilege. It is the House that must deal with such matters when the proper procedure is taken, not the Speaker.

STATEMENTS BY THE MINISTRY

GREAT LAKES FISHERIES

Hon. Mr. Pope: Mr. Speaker, I have two statements. I wish to table a historic document I had the honour to sign for the province last Wednesday, June 17, in Ottawa. It is an international agreement to adopt a joint strategic plan for management of Great Lakes fisheries. I was joined in the ceremonial signing by representatives of the Canada Department of Fisheries and Oceans, the US Fish and Wildlife Service, the National Marine Fisheries Service and all the American states that border on the Great Lakes.

The setting for this important ceremony was well suited for the occasion. It was the twenty-

fifth annual meeting of the Great Lakes Fishery Commission. This important body is one of the most effective international fishery commissions in the world. Over the past quarter century it has had a profound influence on the management and rehabilitation of our Great Lakes, which contain almost 20 per cent of the world's fresh surface water, a resource we share with our good friends across the border.

I am sure the honourable members are aware that one of the worst predators of Great Lakes fish and a serious cause of loss of revenue for many commercial fishermen was the sea lamprey. Countless good catches were spoiled because of encounters with this scourge of the Great Lakes. At its annual meeting last week I congratulated the Great Lakes Fishery Commission for effective control of the lamprey and for its positive, long-term programs, such as rehabilitation of one of our most important and popular game fish, the lake trout.

This work, and other problems tackled, would not have been possible without the full co-operation of a considerable number of different agencies. Credit also should be given to one other agency for its untiring efforts on the Great Lakes, the International Joint Commission. The 69-year-old IJC has jurisdiction over all questions regarding the use and regulation of all waters forming or crossing over the common boundary of our two countries.

10:10 a.m.

Another strong contribution to the work on Great Lakes fishery matters is Ontario's own program, the strategic plan for Ontario fisheries, or SPOF, as it is commonly called. The SPOF program, prepared in the mid-1970s by my ministry in conjunction with our federal Department of Fisheries and Oceans, was also an important source of reference for the new Great Lakes agreement.

This agreement, which is the joint strategic plan for management of Great Lakes fisheries, provides a framework for future co-operative action. It is based on the principles of consensus, accountability, communication and full consideration of the impact on fisheries values in all decisions on uses of the Great Lakes.

One of the early actions expected under the agreement is the formulation of specific plans for fisheries management in each of the lakes we share with the United States. Consistent with the principle of full communication included in the agreement and the principle of greater public involvement, the cornerstone of SPOF,

my intention is to involve fisheries users and other interested members of the public in the development of these Great Lakes plans.

Currently, my staff are investigating the feasibility of adopting procedures similar to those used in the United States. Each state bordering the Great Lakes has a group—comprising one person representing each of commercial fishing, sport fishing and the public at large—that is legally mandated to serve as an advisory body to the US commissioners.

To sum up, I am tabling today an important statement of intent by the agencies concerned to work together towards common goals and strategies in managing the vital fish resources of our Great Lakes.

HELICOPTER CRASH

Hon. Mr. Pope: Mr. Speaker, it is my sad duty this morning to inform the honourable members of a helicopter accident in northern Ontario Wednesday night that claimed the lives of four employees of my ministry and the pilot of the aircraft that was on contract from a Calgary charter company. The men were part of a crew performing maintenance work on a radio tower installation at Maple Mountain, about 50 kilometres west of Haileybury.

The last radio contact from the pilot was heard by the operator at Temagami at 6:40 p.m. as the helicopter was apparently setting down at Maple Mountain. Air-sea rescue units from Trenton, a helicopter from the Ontario Provincial Police and several of our ministry planes tried to conduct an air search when the helicopter was reported overdue, but weather conditions were so bad that the aircraft were grounded off and on until late yesterday.

Last evening, just before dark, one of our ministry pilots, Neil Ayers, flying a Twin Otter, spotted the wreckage in the dense bush. He reported no sign of life around the wreckage. An armed forces unit lowered a man on a line and he confirmed the situation.

Investigation of the crash will be done by the federal Department of Transport, as is required in all aircraft mishaps. My ministry will also conduct a review of the incident.

I know the members of this House will join me in extending our deepest sympathy to the families of the victims of this most unfortunate tragedy.

AGENCIES REVIEW REPORT

Hon. Mr. Sterling: Mr. Speaker, today I will be tabling the third report of the agencies

review committee. The report outlines a sunset review process for all government advisory agencies. This process has been implemented through order in council and included in Management Board of Cabinet's manual of administration.

Sunset review is a process that forces an agency to justify the need for its continued existence. The intent of the sunset review is not necessarily to eliminate all agencies, nor is it to limit unnecessarily the activity of those agencies for which there is a continuing need. Its objective is to ensure effectiveness and efficiency in the contribution of these bodies to the overall governmental process. It does, however, require the elimination of unneeded agencies. It offers the opportunity to review the mandate, structure and operations of the agency and to consider alternatives to the agency form of organization.

To implement this review, the order in council establishes a schedule for the termination of all advisory agencies. In each case, prior to the date of termination the concerned ministry will review the designated agency. Using guidelines established by the agencies review committee, a ministry will undertake that review and submit its recommendation to Management Board, which will then advise cabinet as to whether an agency should be sunsetted. Unless the review clearly indicates an agency's activity is worthwhile, termination will follow.

To keep the members of this assembly and the public informed of this ongoing process, an omnibus report will be tabled each year. That report will summarize the reviews of all advisory agencies and outline publicly the cabinet's subsequent action.

The tabling of this report completes the work of the agencies review committee. With the addition of a sunset review for all advisory agencies, the committee has brought forward an effective and comprehensive policy for the management and control of agencies in Ontario. Therefore, because the agencies review committee has fulfilled its mandate and in keeping with the principle of sunset, I am announcing its termination. Our ongoing program of agency management will now be administered by the Management Board of Cabinet.

I wish to thank the members of that committee for their time and commitment to this project and the various ministries for their helpful co-operation.

COMMUNITY WORK BY OFFENDERS

Hon. Mr. Leluk: Mr. Speaker, last week I outlined to honourable members a number of cost-effective and highly successful programs within my ministry.

This morning, I want to elaborate on two of our community-oriented programs, community service orders and inmate community work, with special emphasis on those programs that benefit the disabled.

The community service order program was introduced to provide an alternative to incarcerating minor offenders. Last year, 5,000 probationers were assigned community service orders. Collectively, they completed 450,000 hours of unpaid community service work valued at \$1.3 million.

The inmate community work program differs from the community service order option in that our probationers are ordered by the court to perform a specified number of hours of work in the community. Last year, 1,737 inmates provided 531,785 hours of community work equivalent to \$1.6 million. Last year, these two programs provided close to one million hours of unpaid community work in Ontario by our offenders.

Because this is the International Year of Disabled Persons, I wish to convey to honourable members that approximately 30 per cent of the tasks performed by community service order participants involve assisting handicapped, blind, sick and mentally retarded adults, teens and children. In actual numbers, that translates into approximately 135,000 hours of unpaid community work for the disabled.

Honourable members might be interested in noting some of the cities in which this unpaid community work takes place.

In Belleville, our clients work with the Association for the Mentally Retarded, helping out with both adults and children. They also participate in conjunction with a local service club in raising funds for the deaf.

In Brampton, our community service order clients work with the Association for the Mentally Retarded.

They have worked with homes for the handicapped and the home for the mentally retarded in the Oshawa-Ajax area.

In Peterborough-Lindsay, they assist retarded children in crafts and audiology and the learning disabled in the gym program in conjunction with centres for the handicapped. They also work with Meals on Wheels.

Our clients in Scarborough work with the

Canadian Association for Riding for the Disabled, with the Association for the Mentally Retarded and with Earls court Children's School. Regarding the latter, one of our clients did such a fine job working with emotionally disturbed children that he became very popular with both the children and the staff. The client proceeded to set up darkroom facilities and other activities for Earls court. Another client working at Lyndhurst Hospital for paraplegics and quadraplegics so enjoyed his work there that he is returning as a volunteer.

I want to take just a few moments to tell the House about a truly incredible story involving service to the disabled. A gentleman by the name of Gene Walser, a private individual working with and living in the regional municipality of Peel, designs housing modifications for the handicapped.

Last year, Mr. Walser saw an eating aid for quadriplegics at a medical conference in the United States. He returned to Ontario and designed a prototype model for use by a quadraplegic in the Orangeville area. Improving on the original design took three models. Providing invaluable assistance, according to Mr. Walser, were volunteers from the Mississauga Volunteer Centre and some of our community service order clients. Specifically, community service order clients provided 800 direct unpaid hours of service and 1,200 indirect hours of service.

I should note that the entire project was completed without the aid of a machine shop; that is, all filing, sanding, et cetera was done entirely by hand.

As a result of this project, an eating device was developed that allows persons paralysed from the neck down to feed themselves. In keeping with the International Year of Disabled Persons, it makes the disabled able. I also understand the National Research Council of Canada is developing this device for further use in the future.

10:20 a.m.

As I have indicated, institutional inmates perform extensive community work for numerous groups and associations, such as boards of education, church groups and voluntary associations. Their work with the disabled has included assisting staff in occupational therapy at hospitals in Brantford, swimming programs for the disabled in conjunction with city parks in Thunder Bay, a bikeathon through Variety Village and recreation at St. Joseph's and Grandview Lodge in Thunder Bay.

Other organizations that have benefited from community work are Twin Haven School for the Mentally Retarded, Arc Industries, the Kenora Action Handicapped Group, the Ontario Games for the Handicapped, Participation House, Northwood Crippled Children's Camp, the Lutheran Community Care Centre, Hornby Residential Centre and the March of Dimes.

In conclusion, I am proud to say that, through such programs as community service orders and inmate community work, my ministry is encouraging offenders to behave in a responsible and law-abiding manner.

USE OF SEATBELTS

Hon. Mr. McMurtry: Mr. Speaker, I have two brief statements.

I am pleased to provide a brief report to the Legislature on a police seatbelt seminar held yesterday at Queen's Park. Representatives of some 63 municipal police departments from across Ontario and members of the traffic division of the Ontario Provincial Police took part in an in-depth study of what can be done to increase seatbelt use in this province.

Since Ontario became the first jurisdiction on this continent to introduce seatbelt legislation, in 1976, roughly 300 lives have been saved on average in each succeeding year. Every member from all three parties who had a part in supporting what was admittedly very controversial legislation can take a real measure of satisfaction from those statistics.

Spokesmen from my two ministries and the Ministry of Health and the Ministry of Transportation and Communications urged police to increase their efforts to promote greater seatbelt use through both public education and stricter enforcement.

The sad fact is that we could save even more lives and, equally important, prevent many crippling injuries if we could persuade everyone to buckle up. Unfortunately, studies show that seatbelt use has declined in Ontario in the last year or two. Preliminary results of the latest surveys this spring show seatbelt use across the province averaging about 57 per cent.

It is our firm intention to use every reasonable means of increasing seatbelt usage over the next few months. Deputy Commissioner James Erskine of the Ontario Provincial Police told seminar delegates yesterday the force would be stepping up its enforcement efforts immediately. I will be sending a telex to police chiefs across the province urging similar action.

Mr. Tom Campbell, Deputy Minister of

Health, told the seminar yesterday that a medical gathering had recently stated in his presence that our seatbelt law had been the most important life-saving initiative of our age. In fact, it had done more to increase average life spans in Ontario than any other public health measure in this century.

I appeal to all honourable members to use their influence and good office to support our seatbelt campaign this summer.

EMERGENCY PLANNING

Hon. Mr. McMurtry: Mr. Speaker, today I am tabling the discussion paper on proposed emergency planning legislation prepared by my ministry in co-operation with the Ministry of Intergovernmental Affairs.

Members will recall that a general outline of proposed legislation was made available to municipal delegates at the conference on emergency preparedness held last November. Those proposals have been further refined and developed. Delegates at the conference indicated their support of legislation which can be viewed as the successor to the former Emergency Measures Act.

We are confident the proposed legislation will provide the comprehensive framework necessary to ensure effective planning and response in relation to emergencies.

We are asking municipal leaders and others involved in emergency planning to review the draft legislation to communicate their views to the government. Accordingly, copies of the discussion paper will be sent to every municipality in the province, police chiefs, fire chiefs and other interested parties.

Copies of the paper are being delivered to each member of the Legislature, and the ministry will be pleased to have the members' submissions on the proposals.

Since we are desirous of introducing legislation before the end of the year, we are requesting that briefs be submitted by October 1, 1981.

ASSISTANCE TO SMALL BUSINESS

Hon. Mr. Ramsay: Mr. Speaker, in the absence of the Minister of Industry and Tourism (Mr. Grossman), I wish to outline the results of the policy and services introduced last year to stimulate the small business sector of this province. Part of that commitment included reporting annually to the Legislature on the status of this important sector of the economy.

Today, I want to report on the services and financial assistance provided by the govern-

ment to small business in Ontario and on the increasing share of government purchases supplied by smaller companies.

I am tabling today a report outlining the results of the small business assistance programs introduced early in 1980. The 13 programs cover such diverse areas of support as product innovation and development, management development, financial consulting and assistance, and marketing or promotional aids.

Through these programs, 6,804 firms employing fewer than 100 people were helped directly with nearly \$2.5 million worth of assistance during 1980. In total, the ministry reached 35 per cent more firms and provided 40 per cent more financial assistance than in 1979.

During 1980, the Ministry of Industry and Tourism established the office of procurement policy, which has been instrumental in assisting small business in selling to government, government-regulated agencies and multinational companies. Through this office's combination of policy-setting and advocacy, we have had a direct effect on the success of the small business sector in selling to government.

This success is shown in the results of a survey conducted jointly by this new office and the Management Board secretariat which I am also tabling today. This survey was conducted in 1978-79 and again in 1979-80 to determine the proportion of Ontario government purchase orders and expenditures related to those orders which were issued to small Canadian-owned firms.

The results clearly show that small business received more than half of the Ontario government's \$344 million worth of purchase order expenditures and that the percentage is growing year by year. Last year, for example, firms with fewer than 100 employees received 68 per cent of all purchase orders and 57 per cent of all related provincial expenditures. The share of government orders filled by small firms increased by four percentage points and their receipt of related provincial expenditures by six percentage points.

In all, Canadian firms received 88 per cent of all orders and 80 per cent of all related expenditures, an impressive record indeed for Canadian-owned companies, especially in the small business sector.

These two reports I am tabling today demonstrate the increasing small business activity of this government. Small business is important to the economy of the province. We will continue

to provide flexible, pragmatic programs that are adaptable to the needs of small firms and create the climate that helps them grow and develop.

ORAL QUESTIONS

GREAT LAKES FOREST AGREEMENT

Mr. Smith: Mr. Speaker, I wish to direct a question to the Minister of Natural Resources and recall to his mind the agreement made when the government of Ontario assisted Great Lakes Forest Products in purchasing the Dryden assets of Reed Paper.

The minister will recall that the government announced that in any lawsuits that would cause liability to Great Lakes Forest Products about \$15 million would be met by the government of Ontario, and the liability of Great Lakes would be limited to \$15 million. I think all members will recall that very clearly.

Why is it then that mediation with the various Indian bands has been brought to a standstill over the contention by a government lawyer, Mr. Jacobsen from the office of the Attorney General (Mr. McMurtry), that future personal injury claims or health claims were not intended to be covered by the government and that the government did not intend, in the letter given by the Treasurer (Mr. F. S. Miller) and the statement that he made in the House, to cover lawsuits that might relate to health claims?

What conceivable reason is there for the government to take a position of that kind now, when it previously made it very clear that all lawsuits would be indemnified above \$15 million?

10:30 a.m.

Hon. Mr. Pope: Mr. Speaker, I am not aware of the statements attributed to a representative of the Attorney General. I will verify those.

I do not believe that the negotiations are at a standstill. In fact, over the past months there has been considerable progress. We are trying to come to some accommodation with both the Islington and Grassy Narrows bands on the basis of mutual economic interests.

All the aspects of aboriginal rights claims, specific claims for compensation and specific demands and requests of the government of Ontario for certain hunting and fishing rights, trapping rights and certain economic assistance, have been folded into the negotiations.

We are trying to reach some accommodation or some agreement on the basis of all these issues, not just on the basis of a claim with respect to health problems.

I will have to get back to the Leader of the Opposition (Mr. Smith) with respect to the statements attributed to the Attorney General's representative.

Mr. Smith: I have to assume that the minister has not been briefed on what has happened. I draw to his attention a copy that I have of a memorandum from Mr. Jolliffe, the mediator, dated June 4, 1981, saying that the mediation itself came to an end on May 30, that he would be unavailable as mediator after June 30 and that if it was not settled by then he would submit a report and recommendations.

Does the minister not know that what has held up the process is the fact that the government is now making this absolutely incredible attempt to say that health claims were not intended to be covered in the announcement made by the Treasurer on November 6, 1979? I quote here: "Mr. Jacobsen stated that the possibility"—that is, of covering health claims—"is not contained within the letter or statement of the Hon. Frank Miller, and therefore he would have to seek further direction."

Is the minister not aware that, because of this, Great Lakes Forest Products now is in no position to make any kind of final offer to the bands, and the bands are in no position to know from whom they will have any recourse as time goes by?

Will the minister not agree that a clear undertaking was given to indemnify for health claims above \$15 million and not just for narrow definitions of such things as environmental damage or damage to the river or things of this kind?

Will he also not agree that the reason paper companies were unwilling to purchase Reed at the time—and the Premier (Mr. Davis) knows this very well—was that they felt they might be the subject of huge lawsuits if mercury poisoning turned out 20 years from now to be a big problem in those Indian bands?

Since the government gave the clear impression that it would cover these claims, why is the minister now trying to weasel out of them?

Hon. Mr. Pope: We are not trying to weasel out of anything. We are engaged in negotiation on a wide range of issues. I have indicated to the Leader of the Opposition that I will review the interpretation.

On the basis of my recollection, I would disagree with the Leader of the Opposition's interpretation of that statement, but in any event I will review it. I also have to say that it is my understanding, based on briefing that I have

received from my own staff, that, both within the context of the mediation process and outside it, the negotiations are not at a halt.

Mr. Smith: Is the minister not aware that although agreement has been reached on about 29 or 30 out of 33 items, the major item, namely, the matter of a financial settlement, is at an utter standstill because the government has thrown a monkey wrench into the situation by claiming that the statement the Treasurer made to this House and to Great Lakes Forest Products—which clearly said that he would indemnify the company above \$15 million in the event of lawsuits—was not related to lawsuits due to mercury poisoning of the Indians, which plainly was the main matter that was being discussed at the time? Would the minister reconsider this position and try to get things going again by accepting the responsibility we in this House were led to believe was being accepted by the government of Ontario?

The Premier keeps shaking his head as though the government never intended to indemnify in the event of lawsuits related to mercury poisoning. I tell him that was the impression we all got in this House and that is the impression the press had at the time. If the Premier wants to correct it, I wish he would stand up and do so.

Hon. Mr. Davis: Mr. Speaker, there is some discussion between the government and Great Lakes Forest Products related to the agreement. I think it is fair to state it is not the intention of the government to limit liability with respect to mercury poisoning. Quite obviously, that was part of the arrangement but there is some discussion as to what the government's liability is with respect to Great Lakes.

I think the Leader of the Opposition would want us to be very careful in using taxpayers' money for possible liability if that liability should be assumed by Great Lakes. Those discussions are going on at this moment. I am not familiar with some other aspects of it.

Interjection.

Hon. Mr. Davis: With great respect, I was there for part of the discussions. I know what the Treasurer said. I am just trying to be helpful and am saying to the Leader of the Opposition there are discussions going on between government and Great Lakes with respect to the question of liability.

I think there are limitations on the government's liability. It is not a question of saying it does not apply to health matters, et cetera, but there is a limitation. We have not assumed liability in perpetuity for everything.

Hon. Mr. Pope: Mr. Speaker, I would like to add to the Premier's statement that it is true, and the Leader of the Opposition is obviously aware of it, that a number of money offers are on the table among all three parties.

We are attempting to arrive at a settlement that will involve as well some employment opportunities for the people of those bands. What we are attempting to do is to have the entire package negotiated in a way in which there will be some certainty with respect to liabilities and responsibilities.

It is not a move on the part of the government to attempt to evade its responsibilities to the native people of that band and to all the people of Ontario with respect to health problems or issues that may surface, none of which specifically have, by the way.

WALKER BROTHERS QUARRIES

Mr. Smith: Mr. Speaker, I would like to ask a question of the Minister of the Environment with regard to Walker Brothers Quarries and the investigation the minister was doing. The minister will remember that in November 1980 the former minister, Dr. Parrott, said that although no criminal actions could be supported at that time, the ministry's investigation of possible environmental violations was under way and its results would be made public as soon as they were available. That was back in November 1980.

Given the fact his ministry has had the regional office's total report on the matter since mid-April of this year, will he explain why it is we have never had the results of that investigation regarding possible violations of the Environmental Protection Act or other environmental violations, and can he now tell us what the results of that investigation consist of?

Hon. Mr. Norton: Mr. Speaker, the investigation is complete and I suggest to the honourable member he must bear in mind that some consideration obviously had to be given to what, if any, further action might be indicated on the basis of the evidence. That is virtually complete at this point and I would be quite happy to provide him with the information he requests as soon as that is completed.

Mr. Smith: The previous minister said, and I quote, "The results of the investigation will be made public as soon as they are available." That does not seem to square with the report now given by the minister. Would the minister not agree that does not square with what he is now

saying, which is he will not tell us what the results are until he also tells us what action he is taking? Why do we not hear the results and then we will judge the adequacy of the actions he might or might not take?

10:40 a.m.

In that regard, is the minister aware of a document supplied by his own ministry staff during the hearings on South Cayuga, which shows that between August 1, 1979, and July 31, 1980, Walker Brothers received 2,045,859 gallons of liquid waste, totally in violation of anything they were permitted to receive? They were never certified to accept liquid wastes of any kind. Yet a document submitted by the minister's own staff says that from August 1979 to July 1980 there were two million gallons of liquid waste deposited there.

Given that his own ministry had this kind of information, why is it taking him so long to investigate the situation and how can he now turn around and suggest that he needs even more time to look further into the matter?

Hon. Mr. Norton: I think it would sometimes be helpful if the honourable members opposite would read back these questions that are purportedly asked in Hansard and try to sort out in their own minds just how many questions there are in one barrage and what they really mean to ask. If they could just be a little more precise in their questioning, it would be much easier to give precise responses.

As I indicated to the honourable member, he will have ample opportunity to judge both the information and the response of the ministry when that is available. I do not know what commitment was specifically made by my predecessor. I have no intention of backing away from any commitment he made and I will certainly take action to honour that.

Mr. Swart: Supplementary, Mr. Speaker: In addition to tabling the report, which is long overdue and which I expect will provide some indication of the degree of breaking of their licence, can the minister now tell the House what additional policing is taking place with regard to the material going into this dump and into the new dump so that the flagrant violations which took place before are not continuing at the present time? If he does not have the answer for that, will he table it at the same time as he tables the report?

Hon. Mr. Norton: Yes, I will get specific information on the monitoring or, as the member describes it, the policing that has taken

place. I think he is aware there has been a new unit developed within the ministry which is euphemistically referred to as the environmental police, who have been extensively trained at the Ontario Police College and are under the direction of a senior police officer for the purpose of such enforcement of the environmental laws of this province. That has happened, in terms of sequence, since this matter initially arose.

In terms of the specific monitoring that may be taking place at the site, I would have to check to get that for the member and I will.

Mr. Smith: May I ask a precise supplementary: Given that the minister's own ministry had a document which said two million gallons of liquid waste were accepted by Woodington Systems at Thorold—which is, as he knows, Walker Brothers—given that they had that document and given that site was never certified to accept liquid wastes at all, how can the ministry pretend it did not know liquid waste was going into a site uncertified for the purpose? If they did know, as they obviously did, why did they not do something about it earlier?

Hon. Mr. Norton: I would obviously have to ask this question of others before I could answer for what might have been knowledge in the mind of any given individual at a given time.

I must say I find it difficult to read a document that the member holds up across the way.

Mr. Smith: I will send the minister a copy.

Hon. Mr. Norton: If he sends me a copy it would be very helpful; then I would be able to tell him whether I have seen it before or not.

POWER GENERATION

Mr. Cassidy: Mr. Speaker, I have a question for the Premier in the absence of the Minister of Energy. Is the Premier aware of the fact that while the demand for electricity in Ontario rose by 2.9 per cent in 1979, and it rose by eight-tenths of a per cent in 1980, that it actually fell by 1.1 per cent in the first quarter of 1981?

Would the Premier explain why it is that Hydro is continuing to plan for its expansion on the basis of a growth rate of 3.1 per cent? Why are billions of dollars being committed to the creation of facilities for electrical energy when clearly the trend of demand is continuing downwards? Will the government now agree to reinstate the select committee on Hydro affairs in order to allow the Legislature to advise Hydro and the government on the proper priorities in

the area of energy, with the consequence that we could save Ontarians billions of dollars in investment?

Hon. Mr. Davis: Mr. Speaker, I am not aware of the specific figures, but I would remind the leader of the New Democratic Party that he is using figures from the first part of 1981. That does not necessarily mean those will be the figures at the conclusion of 1981, nor does it take into account what further uses of electrical energy will be generated during 1982, 1983, 1984, 1985 and 1986.

Part of the policy of this government is to encourage the substitution of electrical use in lieu of oil. In some situations we encourage the switch to natural gas, but certainly in the rural areas we advocate electricity because natural gas is very hard to pipe all the way up the concession road. Certainly it is in my constituency; it is not a great problem for the member for York South (Mr. MacDonald) but it is in some of the more rural areas.

We are going to continue to encourage the greater use of electricity as a substitute. The actual figures in 1981 may not be the realities in 1983 and 1984.

I can recall at a first ministers' meeting three or four years ago the Premier of Saskatchewan, whose approach the member always follows religiously, was suggesting to all his fellow Premiers and the government of Canada that one way to stimulate the economy and provide employment was to move ahead with certain hydro projects in advance of actual need. I think a lot of us agreed with that.

The Leader of the Opposition may not be worried about jobs in the nuclear industry, he may not be—

Mr. Smith: That is the third party, not the opposition.

Hon. Mr. Davis: Of course; after last week in Kingston I have difficulty in differentiating between the two parties. I am just not sure who is left of whom or whom is left of who and what is left of the party.

Mr. Speaker: Address the question please.

Hon. Mr. Davis: Am I not addressing the question, Mr. Speaker?

Mr. Speaker: I think not.

Hon. Mr. Davis: I think you are quite right; I am not.

The government does not oppose consideration of the re-establishment of the committee—on energy perhaps, rather than just singling out Hydro. I think some consideration might be

given to establishing this perhaps during the winter recess rather than this coming fall because of the amount of work. I was going to discuss this, because I know the member for York South wanted to discuss this with me.

Mr. MacDonald: No.

Hon. Mr. Davis: Oh, that was not what the note was about?

But I think it would be very short-sighted and against the interests of the people of this province—and would in fact be economically a negative—if Ontario Hydro should limit its present rather modest expansion plans.

Mr. Cassidy: Is the Premier saying he is now making a commitment to re-establish the select committee—even though it would be a select committee on energy—but to do it in the winter break rather than now? Is that a commitment on behalf of the government? If that is the case, we in the New Democratic Party will certainly welcome it.

The second half of the supplementary concerned the fact that export sales in the first quarter of this year were down by 16 per cent from a year ago, and that overall sales by Hydro were actually down by 1.1 per cent from a year ago. That is far off the kinds of targets Hydro has been setting for itself. Given this, why is it that in its job creation program the government insists on spending \$7 billion now on a Darlington station which may not even be required until the twenty-first century? It is spending this on Darlington as opposed to only \$750 million under the Board of Industrial Leadership and Development program for every other aspect of job creation in all of the other important industries.

Hon. Mr. Davis: I think it would be very foolish to say that Ontario Hydro should not proceed because of the large dollar amount. I think the amount can be justified in terms of the economic growth.

10:50 a.m.

I read so many stories about how excited people are about the potential of the megaprojects in Alberta. I would just do some rough calculations. I do not see the press reporting this. Darlington is a matter of some debate. The reality is that the investment, the job creation potential in Darlington is comparable to Cold Lake or one of the major tar sands plants. We are talking about the same dollar amount. We read about all of these great megaprojects. We have one in this province that is providing job opportunities for thousands of Ontarians, with

great potential in terms of electrical generation and indigenous resource, and we hear nothing but criticism from some members across the House. That is beyond my limited comprehension.

Mr. Smith: That is obvious.

Hon. Mr. Davis: I understand it is obvious. I have always said to the leader of the new Socialist party that I accept my intellectual limitations. He has never accepted my advice that he would be far better off today if he were to acknowledge he had the odd modest intellectual limitation. In fact, he would be a lot better off.

Mr. Speaker: Mr. Cassidy asked a question.

Hon. Mr. Davis: With respect to the first part of the supplementary, I am not giving a commitment. I am just saying to the leader of the New Democratic Party that I do not have a closed mind on the subject at all. I sense with the number of select committees that will be established and the number of standing committees that will be functioning with respect to some legislation—on the assumption that some of you, unlike myself, would like two or three days off during the summer, assuming we have the House closed within the next three or four weeks—if we do it, it should really not relate just to Hydro, it should be a committee related to energy, its alternatives and so on.

I think it could be somewhat interesting and exciting. I would suggest it would make more sense to do it, if we do it. I am not giving a commitment today because I have not really thought it through. I do not have a closed mind on it, but the proper time to do it would probably be during what will be a somewhat longer winter recess.

Mr. Nixon: Supplementary, Mr. Speaker: Is the Premier really telling the House he believes the projections from Hydro of utilization of load or growth of load are incorrect and that he knows or feels he has enough information to project a much larger growth rate and is, therefore, expediting the \$7 billion to \$9 billion program at Darlington? Or is he counting on export of energy to use up any slack that might come out of the so-called Board of Industrial Leadership and Development program decision?

Hon. Mr. Davis: No, I do not have any information, nor am I going to put my—

Mr. Nixon: Or information that it is not going to be.

Hon. Mr. Davis: I am not going to guess or second-guess some of the load forecasts. I think the honourable member understands that with the increase in fuel prices, for instance, in some of the traditional plants, the potential or possibility of the substitution of some of the generating activity at Darlington, looking ahead seven or eight years, vis-a-vis some of the coal-fired plants for a period of time might make great economic sense.

Mr. Smith: If you are going to close them down, why get scrubbers?

Hon. Mr. Davis: The Leader of the Opposition might even argue that there would be merit in substituting some of the coal-fired plants with nuclear power. I would find that encouraging if he were to suggest that. Actually, it would be more logical with some of the positions he has taken. I know he is not going to reverse his position on that at the moment.

I would say to the House leader of the Liberal Party that I do not have any way of forecasting, certainly any better than Ontario Hydro. I think it would be foolish not to anticipate or be ready for any short-term increase in terms of export. The export of excess electrical energy is one of the great pluses that is potentially available to us. I think the potential in terms of market in the United States is very real.

Mr. MacDonald: Supplementary, Mr. Speaker: Will the Premier not recognize the fact that in spite of the expenditure of millions of dollars, and God knows how much rhetoric, electric power consumption in this province is persistently dropping? Indeed in the last three years it has been under three per cent. Last year it was under one per cent and the first quarter of this year has it at 1.1 negative.

That being the case, and if it is even in the two to three per cent range—and it is now getting below that—we will not need Darlington until the years 1996 to 2004. If we get below one per cent, even zero growth, we will not need Darlington into the next century. Even if we accept that it might be wise to build in advance of needs, are we going to build for needs away into the next century when we have all these other things we should be spending our money on?

Hon. Mr. Davis: Mr. Speaker, I am intrigued because I have heard the member for York South in his capacity of some years ago when he was somewhat more of a visionary urging the government to look ahead 15 or 20 years. I can recall some of his observations to me related to

the need with respect to land use and the accumulation of land assemblies. He said to me: "It's not this year and it's not next year. We are concerned as a party about the housing needs of the next generation." I could even find the phrase for him. I am surprised that he of all members is limiting his vision to the next two, three, four or five years. I am saying—

Mr. MacDonald: Answer the question.

Mr. Speaker: Order.

Hon. Mr. Davis: I understand the member is about to become a visionary.

Mr. MacDonald: It's your distorted vision I'm concerned about.

Hon. Mr. Davis: What the member is saying with respect to demand also has application to crude oil and natural gas. I think he will find the Ontario public—and hopefully the Canadian public—has become more sensitive and aware of the need to conserve, but I think to plan on the basis of this year's actual figures for three months and not to visualize the opportunities and the great potential we have for the substitution of electrical energy for other forms of energy would be a great mistake.

I would say to the former leader of that great party, to the man who used to have vision, why does he not share with us, with Premier Blakeney of Saskatchewan and with others our confidence in the economic future of this province, in the use of electricity as an indigenous resource so we can stimulate the economic life of Ontario? He should share that with us.

Mr. Cassidy: Mr. Speaker, the announcement this week made it sound as though the election was going to come in mid-August but the Premier's speech right now makes it—

Hon. Mr. Davis: I would be delighted to have one in mid-August and you would have fewer members than you have now.

Interjections.

MICROELECTRONICS DEVELOPMENT CENTRE

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Industry and Tourism about the proposal in the Board of Industrial Leadership and Development program for a microelectronics development centre, particularly since this is the only proposal in the BILD program for the Ottawa area apart from poplar trees.

Can the minister say where the microelectronics development centre will be put? Can he say what facilities it will contain? Can he say

when the decision will be made? Will the minister not agree that rather than setting the Ottawa area against the Cambridge area in competing for this particular facility it would make a great deal more sense to locate the microelectronics development centre in the Ottawa region, close to a rapidly developing Canadian industry, and to put into Cambridge or some other part of industrial southwestern Ontario a computer aided design and manufacturing facility which could work with manufacturers in that area?

Hon. Mr. Grossman: Mr. Speaker, to answer those questions in order. The first question was where and—

Mr. Speaker: Briefly.

Hon. Mr. Grossman: Briefly, did you say, Mr. Speaker?

Mr. Speaker: Please.

Hon. Mr. Grossman: First, where: Ottawa or Cambridge. Second, what will be determined over the course of the next eight weeks and when do we expect a decision: We expect to have a final decision in early September. I might add to the leader of the third party with regard to the microelectronics centre, it is at the most advanced stage of the four or five research and development facilities we are talking about.

The Ottawa submission, led by the four or five excellent members of our caucus from the Ottawa area, was a fine submission, one of the best I have received on any subject since I have had this job. They made an excellent presentation. Cambridge was in as well. They are not as yet at as advanced a stage in their presentation and we want to give them every opportunity to make an equivalent presentation. They will have the opportunity to do that over the summer and perhaps we will have more to report on the member's suggestion with regard to the robotics facility or the CAD/CAM facility in one of those locations and the microelectronics in another location when this House resumes in the fall.

Mr. Cassidy: I am not quite clear what the minister is saying about the CAD/CAM facility, but given the large number of small and medium-sized manufacturing enterprises in the industrial belt beginning in Oshawa and going through to Kitchener and London, would it not make sense that the CAD/CAM facility be accessible to those industries and therefore located somewhere in the area between here and London, perhaps in Kitchener or Cambridge?

11 a.m.

Just as it makes sense to put the CAD/CAM facility where the manufacturing industry that needs it is in southern Ontario, does it not make most sense—in view of the rapid growth of the very large and excellent Canadian-owned microelectronics industry in Ottawa, which has the potential to create 85,000 jobs over the next decade and which has provided the first real counterweight to federal government employment in the economy of the Ottawa-Carleton region—to put the microelectronics development centre somewhere in the region of Ottawa-Carleton, as is proposed in the Ottawa-Carleton brief?

Hon. Mr. Grossman: I am pleased the member has put very cogently and well the arguments in favour of the two locations selected by the Board of Industrial Leadership and Development documents. There are other members of his party who suggest that the decisions on some of the centres were politically based. I am glad the member has confirmed for us this morning that there are overwhelming arguments in favour of the site selected by the BILD document for the microelectronics centre and in fact for all the centres we have talked about.

The Ottawa delegation, led by my colleagues, argued very well the case for placing the microelectronics facility in the Ottawa area. The private sector and other public sector representatives from the Ottawa area—that is, the municipal representatives—also argued that the microelectronics facility and the CAD/CAM facility should not automatically be tied together and that there was an argument for separating the two facilities.

On the other hand, my colleague the member for Cambridge (Mr. Barlow) has argued very articulately on behalf of both of the centres—

Mr. Nixon: The former member.

Hon. Mr. Grossman: Well, the member opposite will never have one from Cambridge, so his party will never have the opportunity to do that.

Mr. Speaker: Order. Order.

Mr. Nixon: He is not looking very pleased with this answer.

Hon. Mr. Grossman: He will be very pleased with some of the things that will ultimately come out of the BILD document.

Mr. Speaker: Proceed with the question.

Hon. Mr. Grossman: The member for Cambridge has especially pointed out the importance of the CAD/CAM facility and how well that would fit into the Cambridge area in particular.

Those two sites remain the prime sites, and I am confident that the right business decisions can be made at the end of the summer. I am confident that both municipalities will benefit in one way or another.

Mr. Cassidy: Given the fact that the government now appears to be accepting some of the proposals the New Democrats made during the election campaign and earlier about the sense it made to have public participation crown corporations in progressing industries like microelectronics, would the minister assure the House that the proposals from the Ottawa area for a facility that would both design and manufacture uncommitted logic array elements in order to allow the creation of custom integrated circuits for the industry in Ottawa are acceptable to the government, and that it will not for ideological reasons reject the proposal, which is supported so widely in Ottawa, that the microelectronics development facility for Ottawa include the manufacture of uncommitted logic arrays and not just design?

Hon. Mr. Grossman: Those are the kinds of things where, rather than guess about them or let them crop up as part of the election campaign—as the member admits in the case of his party—we appointed a microelectronics task force, headed by Donald Chisholm from Northern Telecom, a year or so ago. We are expecting that report to come in late this summer. It will shape the kind of facility we build and answer the question the member has put. I think that base of information is the most important base and the only rational base to work from.

NANTICOKE EMISSIONS

Mr. Kerrio: Mr. Speaker, I have a question for the Minister of the Environment. Does the minister not think he is going to jeopardize his case in Washington in resisting the increase of sulphur dioxide emissions from the states of Ohio and Pennsylvania because he is now talking about creating a great deal more emission by supplying electricity to the United States through the thermal generating plant at Nanticoke?

Hon. Mr. Norton: Mr. Speaker, I have not been doing a great deal of talking about that. I see this morning that the *Globe and Mail* has an article wherein they are talking about it. The article is ill-informed, I would suggest, to put it politely; that is, ill-informed with respect to the apparent perception they have of my view on that issue.

I do not know how they came to the conclusion reflected in the headline. I do not think the body of the story necessarily supports the headline, but that is very often the case with the *Globe and Mail*, as members might have observed.

The fact of the matter is that my position has not changed from the one taken by my predecessor. It is important to bear in mind that no matter what happens at Nanticoke the order that now applies to Ontario Hydro will continue to apply. If they do not live within those emission levels then I will damn well put another order on them. They will live within the order that now is there. We will not back away from that.

Perhaps what gave rise to that story is there may be some knowledge that there are conflicting legal opinions at the moment as to whether the federal legislation relating to the National Energy Board hearings in some way supersedes and overrides the Ontario Environmental Assessment Act. All I can say now is there are conflicting legal opinions, and I do not know how that is likely to be resolved. My position certainly has not changed from that of my predecessor.

Mr. Kerrio: Supplementary, Mr. Speaker: My prime concern is—and I wonder if the minister would address himself to this part of the question—how good the minister's case is going to be in Washington, as it relates to the states of Ohio and Pennsylvania which are talking about increasing the emissions of sulphur dioxide? If the minister is going down there to suggest that should not be allowed, how would it look if we in Ontario decide to increase the sulphur dioxide emissions for whatever reason, even in the event there is a hearing?

Hon. Mr. Norton: If the member would recall the order that applies to Ontario Hydro now, there are certain target levels and target dates to achieve those levels. It is clear from that order and it is clear from the statement my predecessor made at the time that order was issued, that regardless of whatever increased production Hydro might engage in, the order still applied. In other words, they must live within the overall emission levels imposed by that order. There is no consideration whatsoever being given to relaxing that order. That may be difficult to understand, but it is true. It was clearly stated in that way by my predecessor.

Mr. Cassidy: Final supplementary for the minister: Since the minister says he holds to the position taken by his predecessor, could he spell

it out specifically? Will he ensure there is a provincial environmental assessment on this proposed underwater hydro line to the United States?

Second, will he also hold to the position his predecessor took that the line will not be built unless it is linked to the North American agreement on the reduction of acid rain?

Hon. Mr. Norton: The honourable member knows there are negotiations under way now with respect to an international agreement on that subject. I do not know what the outcome of that will be, so I am not sure one can be absolutely certain it can be linked to something that may not come about.

Mr. Cassidy: So he backs away from it, eh?

Hon. Mr. Norton: Surely the member has to be realistic as well. If the member has any doubt about what I am saying, I would suggest he read Hansard. I could probably send him a copy of the remarks of my predecessor.

11:10 a.m.

ART GALLERY OF ONTARIO

Mr. Di Santo: Mr. Speaker, my question is for the Minister of Culture and Recreation. Is the minister aware of the latest layoff of the seven part-time employees of the Art Gallery of Ontario? Is he also aware that since the certification of the Ontario Public Service Employees Union the bargaining unit has been reduced from 227 to 150 while, over the same period, the number of management personnel has remained constant at 52?

Does the minister consider this is good faith on the part of the management of the Art Gallery of Ontario, or does he agree with the gallery management that it is because of the grants given by the government that the gallery is going down to the same level of the galleries of Timbuktu, Namibia or Tanzania?

Hon. Mr. Baetz: Mr. Speaker, I am delighted my New Democratic Party critic has raised the question. This is the first one this session. I really thought he was mad at me and was not speaking to me. I do appreciate the question.

Mr. Wildman: It is not for want of trying.

Mr. Cassidy: No, it is not for want of trying.

Mr. Speaker: Order.

Hon. Mr. Baetz: I think it should be made very clear that neither I nor the government of Ontario owns the Art Gallery of Ontario. It is an independent organization. We do contribute

about \$4.8 million annually—which is very generous; 65 per cent of their revenue comes from the government of Ontario.

We are interested in what kind of a program they are providing for the people of Ontario; what kind of an extension program they are giving; how many days of the week they are open. But that is quite different from my saying to the director or the president of the art gallery, "You must hire this person, fire that person or deploy this person this way or that way." That is not my business. Quite frankly, I do not intend to get involved in that argument at the Art Gallery of Ontario.

If there is an injustice there the people who belong to the bargaining unit have a very clear recourse, and that is the Ontario Labour Relations Board. They will have to follow that. But I certainly do not intend to get involved in some of the questions relating to management and the bargaining unit personnel.

Mr. Di Santo: Supplementary: Does the minister not recognize that by taking that approach the government is abdicating completely its responsibility towards the arts in Ontario? Does the minister not think that by closing the gallery more than previously, by shutting down services that are provided to the public, the gallery cannot perform the role a public institution should perform in a modern society?

Does the minister not agree that unless there is public funding the gallery will rely more and more on volunteers, thus turning a public institution into a private club for wealthy people who have nothing else to do?

Hon. Mr. Baetz: Mr. Speaker, as I noted in the original response, we certainly are interested in the kind of general service the Art Gallery of Ontario provides. We are very much interested in the kind of extension program, their outreach program, in which they provide services to all the smaller art galleries in the province. We are certainly concerned that they remain open at least six days a week. When they wanted to close down to the public on Tuesdays I indicated to them very clearly that would not be very satisfactory with us. As the honourable member knows, they have already agreed not to close down on Tuesdays.

So we are keeping an eye on those kinds of services. But certainly I will not become involved in the personnel policies relating to the gallery. There are other public vehicles that will deal with that.

Mr. Nixon: Supplementary: Is the minister not aware that this House transferred the Art Gallery of Toronto to the jurisdiction of the province, which is why it is called the Art Gallery of Ontario? Does he not realize it is really a combination of too much interference at some times and not enough at other times, particularly budget time, and that the minister's policy is gradually strangling that great organization so that it cannot provide the service it wants? It is rapidly heading towards the category of the one in Namibia referred to by the honourable member who asked the question.

Hon. Mr. Baetz: Mr. Speaker, I certainly would not agree for one moment that the Art Gallery of Ontario is heading for the status of the gallery in Timbuktu or wherever. I would not agree to that, and I tell the member the president and the board of the Art Gallery of Ontario do not agree to that either. I would just remind the honourable member that over the last 10 or 15 years the grants of this government to the Art Gallery of Ontario have gone from \$6,000 a year to \$4.8 million a year. If he thinks that is not an adequate amount of support, then I do not know what is adequate.

Certainly we are financing the Art Gallery of Ontario for 65 per cent of its budget, compared with only 20 per cent of all the other galleries in Ontario. We are doing that because we expect the Art Gallery of Ontario to service the people of Ontario in sending exhibitions to the other smaller galleries. If the member wants us to reduce still further our grants to the small galleries in order to give the Art Gallery of Ontario more money, we can look at that, but I do not think it is in the spirit of the present arrangement.

SIGNS ON MEMBERS' DESKS

Mr. R. F. Johnston: Mr. Speaker, I think the members on this side especially, but anyone who can look at the other side, are at the moment offended by the wall poster versions of the back-benchers over there, who are putting up signs on their desks. It is sign pollution in terms of the leadership candidate for the Liberal party, and I am offended by those being up, especially when the name of the member for Downsview (Mr. Di Santo) is nowhere to be seen on the other side.

Mr. Speaker: Your point is well taken.

[Later]

Mr. Speaker: Order. To maintain the dignity of the House I would ask the members on the

government side—the point is well made by the member who raised the point of privilege—to remove those signs.

Mr. Smith: On that point, Mr. Speaker, it has long been contended that Tory back-benchers could easily be replaced by signs and never be missed.

SPECIAL EDUCATION STUDENTS

Hon. Miss Stephenson: Mr. Speaker, on June 12, the member for Oakwood (Mr. Grande) and the member for Port Arthur (Mr. Foulds) asked about a press report concerning D. B. Hood Community School which functions under the aegis of the board of education for the borough of York. At that time I indicated there was an investigation or a collection of information being carried out by the central regional office of the ministry, and if any of the findings which resulted from that appeared to impinge in any way upon the spirit of Bill 82, or the implementation of educational programs on a province-wide basis, that I would make that information public.

The York borough board has conducted a very thorough investigation and review of this matter related to D. B. Hood school. Our central Ontario regional office staff have been in constant communication with the board. Intensive consideration of the issue at a board meeting on June 22 led to the issuance by the board of a news release on June 23, and a further statement made at the beginning of this week.

This is a matter for which the responsibility rests entirely with the board of education. It includes some rather sensitive issues in so far as personnel considerations are concerned, and it would seem, as a result of our investigation, that the York borough board has executed its responsibilities in a most professional manner. I wish to express my appreciation to the officials of York borough board for their splendid efforts to keep ministry staff fully informed about this matter.

Further comment on my part, additional to the board's own news release, would be redundant at best, and inappropriate at least, and I have no reason to consider any further action by the ministry as necessary or required. If the member for Oakwood has not seen the news release, I will be most pleased to share it with him.

Mr. Grande: Supplementary, Mr. Speaker: In view of the obviously thorough investigation that the minister has carried out, is she not

aware that the most vocal parents were not called to attend the meeting with the principal? Is the minister not aware that the officials of the board knew of the situation in November of last year and did not act? Is the minister further not aware that a good many of those parents will not be sending their children to that school next year? Is the minister in agreement with the method that the borough of York found of hiring two extra supplementary teachers to deal with that kind of problem if it should arise again?

11:20 a.m.

Mr. Mancini: Ask the question.

Mr. Grande: It is a question. If the minister is aware, would she inform the other boards across Ontario that a similar program should be instituted so the special education kids will not be treated again in this fashion anywhere in the province?

Hon. Miss Stephenson: Mr. Speaker, I am aware the board attempted to deal in a very sensitive way with a teacher of long standing who became injured. I am aware the board participated in discussions with the parents very early in this year about the appropriate disposition of the educational program for those few children for a period of time and moved only with the agreement of the parents who did become involved.

I am aware the board made its final decision related to the medical condition of the teacher who had been absent since November, and I am also aware the board has made concerted efforts to ensure that the program for those children is appropriate. I am positive that at this point the entire program for those children is excellent and there are no complaints about it right now.

I believe this board has functioned responsibly and should not be castigated for attempting to do so.

ONTARIO VETERINARY COLLEGE

Mr. Riddell: Mr. Speaker, I have a question to the Minister of Agriculture and Food. I believe my colleague the member for Wellington South (Mr. Worton) has expressed to him our very deep concern about the plight of the Ontario Veterinary College as reported in yesterday's Toronto Star.

In view of the fact there is now a shortage of qualified veterinarians in Canada, would the minister care to comment on the report that the largest veterinary college in Canada no longer

meets the basic requirements to keep its status as a teaching institution because of a lack of funding from this province?

Hon. Mr. Henderson: Mr. Speaker, the member for Wellington South did speak to me about the veterinary college.

At the beginning of the present school year—the one that is just finishing—I had the opportunity to meet with the representatives of the veterinarians of Ontario, accompanied by the dean of the veterinary school. At that time they pointed out to me their concerns about the clinical work and the lack of space to operate in. Following this meeting I asked my assistant deputy minister, Dr. Rennie—whom most members know—and who is quite knowledgeable in that area, if he would go into the overall detail and make a report for the government to look at. Dr. Rennie had my director go right into it.

Dr. Rennie was not available yesterday but my director, Dr. McDermid, informed me they have had dialogue and have come to conclusions that were first put together in a letter form dated April 11. They then went back into more dialogue and there is an updated report.

Yes, there is additional clinical space needed. I do not have this report yet. I would hope I would have it next week.

I have the assurance of the Minister of Colleges and Universities (Miss Stephenson) that her funding will remain. There is no problem. This is additional funding needed through my ministry for the clinical work, for the experiments, for the research and what have you. Let me assure this House we have the best veterinary college in North America and we plan to keep it that way.

Mr. Riddell: Allegedly the Minister of Colleges and Universities refuses to provide additional funding to keep the doors of that institution open. If that is the case, will the minister act on the request of the college to provide funding to the college's clinic in the same way the Ministry of Health finances medical hospitals for the practical training of doctors?

Hon. Mr. Henderson: I answered that. I said we are going to keep the best veterinary school in North America.

Mr. Smith: Are you going to keep it open or closed? That is the question.

Hon. Mr. Henderson: It will be open and it will be operating, supplying a service.

EMISSION OF TOXIC SUBSTANCES

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Labour. On December 11, 1979, the minister stated in the estimates committee: "It was the summer of 1978, I believe, that the first seven substances were gazetted . . . but we're now ready to start the gazetting of regulations." Dr. R. May, Deputy Minister, Occupational Health and Safety, went on to say three regulations were given the previous January, one on noise, one on lead and one on mercury and there would be two more. In March, there would be one on asbestos.

My information from the Advisory Committee on Occupational Health and Safety tells me that now, in June 1981, they are still accepting submissions on these same three toxic substances, part of the first seven listed and to which we added coke oven emissions. Can the minister give this House some idea of what year or decade we are likely to see the regulations for toxic substances, the first seven of which we have had listed since 1978? Since 1978 he has been telling us they are imminent.

Hon. Mr. Elgie: Mr. Speaker, the member and I have discussed this personally many times and we have also discussed it in great detail at estimates. He knows very well the original prototype draft regulation dealt with lead. It was a long process, I frankly admit—and I have admitted it in the House before—to get to that ideal first prototype.

He also knows that in response to what I thought were legitimate complaints that there was no final end-stage point where the ministry had to defend its position among labour, management and interested members of the public, I added that final stage to the designated substance program. It has been well received and deemed to be an important part of the process. The member may say it drags it out too long. I think it makes the process more meaningful and more acceptable to people.

We have now gone through three substances. We have gone through lead, mercury and, just this week, through noise. There are meetings already scheduled for the other substances in those initial eight, as the member knows. The process is under way, the prototype model is there and I expect we will be able to proceed in the future in a much more expeditious way.

Mr. Mackenzie: Surely the minister cannot defend a process that has gone through all the steps the first time in 1978 and 1979. We are going through it again now and my contacts on

his advisory committee tell me they have no idea when we are going to be ready actually to get down to the first regulations on these three substances. If this is the promise we are being given, God help the workers in Ontario. Can the minister give us a more definite time as to when we will get the first regulation?

Hon. Mr. Elgie: I do not know who the member is getting his advice from, but whoever it is is in error. The final draft lead regulation, having gone through all those processes, has been to the advisory council and is now back in our hands for final gazetting.

The member should stop going back to 1978. He knows the Occupational Health and Safety Act was not in force at that time. We had legal opinions the initial publications were invalid and had to be repeated.

11:30 a.m.

Mr. Mackenzie: Was all the work wasted after you went through the whole process?

Hon. Mr. Elgie: I ask the member to stop going back to those old things he refers to all the time. He understands what the reality is. Certainly we are proceeding expeditiously and he knows that.

TORONTO EAST GENERAL HOSPITAL

Mr. Conway: Mr. Speaker, I rise on a point of privilege concerning material contained in today's Toronto Star. It relates, sir, to what I consider to be a breach of the privileges of this House with respect to misrepresentation of proceedings here. I am reminded as well of the exchange in the House earlier this week involving, among others, my House leader and the Minister of Housing (Mr. Bennett). I note in today's Toronto Star the Minister of Health (Mr. Timbrell) is quoted as saying: "'Until the bill'"—meaning Bill 113—" 'gets third reading and royal assent, I can't take over the hospital,' Timbrell said later, 'I'm very much in the hands of the opposition.'"

I regret very much the article creates the very distinct impression that the opposition in this chamber is obstructing the government's desire to intervene in the specific problems of the Toronto East General Hospital. Keeping in mind that a wilful misrepresentation of the proceedings of this assembly is—at least according to Erskine May—considered to be a classic point of privilege, I think it extremely important to repeat what we told the minister as late as yesterday afternoon: If it is their intention to move directly and specifically on the matter of

the Toronto East General there is no objection from this party or, from what I heard in the debate yesterday, any other.

I think it is not only wrong but mischievous and constitutes a wilful misrepresentation of the proceedings of this chamber yesterday for the Minister of Health or anyone else to suggest that. The public is properly concerned about the serious difficulties at that hospital, and it is wrong for the government to suggest there is opposition in this chamber to moving against those difficulties.

If this government wants to move against that specific difficulty we, in this party—and I think I speak for the NDP—will give them that legislative sanction immediately without very much delay or debate. Our objection yesterday, today and for a long time to come is with regard to omnibus legislation. Unless and until this government presents this chamber with a case for omnibus legislation, it is justified only in a specific bill to deal with a specific problem. This minister and this government know this is radical legislation for which there is no general justification.

I consider it a breach of my privilege for the minister to suggest what he did in this article. If he is misquoted, let him stand in his place and clear the record. From my point of view I will not stand in the way of specific legislation to deal with the problems of that hospital. But Bill 113, as it is currently drafted, is a grotesque over-reaction on an omnibus, generalized basis to one specific problem.

Mr. Cassidy: On the point of order.

Hon. Mr. Timbrell: If I may, Mr. Speaker, reply—

Mr. Speaker: That was a specific point of privilege raised by Mr. Conway. There is no debate. The minister will reply.

Mr. Cassidy: Mr. Speaker, I want to join the point of privilege—

Mr. Speaker: I think the member did join your party in the point of privilege.

Mr. Cassidy: With respect, he does not speak for our party.

Mr. Speaker: Order, order, order. Just very briefly then, please.

Mr. Cassidy: Mr. Speaker, I would simply like to join in the point of privilege. It seems to me the government feels that with 44 per cent of the vote it should have 100 per cent of the seats. It should understand that the opposition has the right to put its points of view.

As far as the New Democrats are concerned, we made it very clear we were prepared to accept legislation on the Toronto East General situation, but that we would be opposed to general legislation.

As far as the allegations of obstruction are concerned, I believe there were two speakers for the New Democrats and three speakers from the Liberal Party on second reading of the bill last night. If the minister thinks that is not legitimate participation in the debate, then God knows where the democracy of this province is going. The opposition has the right to speak on behalf of the people of the province.

Hon. Mr. Timbrell: Mr. Speaker, I thought the member for Renfrew North had a very good point when he started, but by the end of it he was confirming the impression to which he is taking exception.

I had not seen this until he raised his point and somebody handed me a copy of the same paper. If the honourable member will look closely where the quotation marks are, they end before the words “take over the hospital, Timbrell said later.” I was approached when I was leaving the chamber last night on my way to catch a plane to Niagara and was asked what this meant. They asked if this meant it was held over until the fall. It was at that point I said: “I am in the hands of the opposition. It has gone to committee.”

I do not know whether the rest of the article covers this, but I also went on to say that notwithstanding the fact it has gone to committee, Mr. Turner has started his work in meeting with the chairman of the board and the staff of the hospital, but until the bill receives third reading and royal assent he has no legal authority and has to govern himself accordingly.

With respect to my friend who for whatever reason has developed an incredible dose of bitterness in the last few months—it may have something to do with the first caucus after the election, I am told, but that is an internal matter in his party—I ask him to look again at where the quotation marks are. I think the operative words to which he takes exception are the words of some editor somewhere; they are not my words. He has taken the opportunity to try to debate the bill again. For my part, my colleagues and I do not see the principle of public accountability as radical.

Mr. Smith: May I speak to this, Mr. Speaker?

Mr. Speaker: No. I think there has been quite enough said. The point of privilege has been raised.

Mr. Smith: What are you going to do, Mr. Speaker?

Mr. Speaker: It is not for me to do anything.

Mr. Smith: It is to do—

Mr. Speaker: With respect, I cannot debate.

Mr. Smith: Look, the position of the party is being misrepresented. There is deliberate, wilful misrepresentation. They can have it for Toronto East General tomorrow if they want, but not the whole province.

Mr. Speaker: Order. That point was very well made.

INTRODUCTION OF BILLS

MUNICIPAL SUNSHINE ACT

Ms. Bryden moved, seconded by Mr. Breagh, first reading of Bill 132, An Act respecting Public Access to Meetings of Municipal Councils and Local Boards.

Motion agreed to.

Ms. Bryden: Mr. Speaker, the purpose of this bill is to make it mandatory for all meetings of municipal councils and local boards to be open to the public. Local boards are defined to include school boards, police commissions and other special purpose bodies. Meetings include committee of the whole meetings and meetings of committees and subcommittees.

Meetings dealing with the purchase and sale of property, litigation, personnel matters, contract negotiations with employees and certain policing matters may be closed at the discretion of the municipal council or local board. This act takes precedence over any other act.

11:40 a.m.

CONSUMER PROTECTION AMENDMENT ACT

Mr. Swart moved, seconded by Mr. Grande, first reading of Bill 133, An Act to amend the Consumer Protection Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of this bill is to curtail substantially the excessive amount of money being spent on advertising by supermarket chains, which is ultimately passed on to the consumers in their grocery bills. The proposed limit of one third of one per cent of sales would cut advertising to approximately 33 to 40 per cent of the present expenditure.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 59, An Act to amend the Fire Marshals Act.

Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975.

Bill 70, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Bill 72, An Act to amend the Gasoline Tax Act, 1973.

Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act.

Bill 78, An Act to amend the Ontario Pensioners Property Tax Assistance Act, 1980.

Bill 86, An Act to amend the Power Corporation Act.

Bill 116, An Act to amend the Milk Act.

Bill Pr7, An Act respecting the City of Windsor.

REGISTRY AMENDMENT ACT

Mr. Mitchell, on behalf of Hon. Mr. Walker, moved second reading of Bill 92, An Act to amend the Registry Act.

Mr. Mitchell: Mr. Speaker, I want to reiterate a few points that were made when the bill was first introduced.

The first of these amendments will repeal part III of the act and enact a version that clearly limits the title search period to 40 years.

The second amendment proposes to change section 65 of the Registry Act to eliminate the 10-year time period required before discharged mortgages can be deleted from the abstract index.

These proposed amendments would result in major time and cost savings to the users of this system and satisfy a recommendation of the 1979 report of the registration management committee of the ministry.

We are also proposing that this amendment be complemented by a new section of the Registry Act that would provide that persons who suffer loss through any improper deletion will have recourse to the land titles assurance fund. This deals with a deletion of the mortgage from the 10-year period. This remedy will be available where there has been any omission or other error in recording a registered document.

Mr. Elston: Mr. Speaker, I want to make a few brief comments on the act. I might lead off by saying that I am pleased to see an attempt on the part of the government to alleviate some of the awkward wording involved dealing with the Registry Act problems.

It has been the intention of the profession for many years to resolve the conflicts that have arisen over the practices in various of the registry offices around the province in their timing for deletion of the discharged mortgage documents.

I rise to indicate our support for that particular initiative on the part of the government and to congratulate them for helping the profession deal with this problem.

Second, I wish to advise that our party is also in favour of the efforts taken to remove the difficulties that have surrounded sections 111 and 112 for some time. We on this side of the House will be rising in support of this bill.

Mr. Renwick: Mr. Speaker, my colleague the member for Welland-Thorold (Mr. Swart) is engaged in a committee this morning. He has reviewed the bill in detail and is quite prepared to accept all the proposed amendments. He believes they are beneficial amendments and they will save public funds. We will support the bill on second reading.

Mr. Mitchell: Mr. Speaker, I want to thank the two opposition parties. I feel enough has been said.

Motion agreed to.

Third reading also agreed to on motion.

INCOME TAX AMENDMENT ACT (concluded)

Resuming the adjourned debate on the motion for second reading of Bill 77, An Act to amend the Income Tax Act.

Mr. Haggerty: Mr. Speaker, I want to continue from last night, and perhaps I will not have the interjections that I had then.

We in the Liberal Party are concerned about two areas; one is the matter of inflation and the other is the matter of high interest rates. We find that this government today has done little in both of these areas to bring about some sensible approach to development programs in Ontario.

High interest rates no doubt will have some bearing in forestalling development in the private sector. It is just as well that the Treasurer (Mr. F. S. Miller) can put the blame on the federal government in this area.

11:50 a.m.

Quoting from his 1981 budget news release, it said: "The budget criticizes federal action on inflation and interest rates. The inflation race can be won." We on this side have said on a number of occasions it can be won if some initiative is put forward by the government.

To quote again: "Mr. Miller believes that it requires effective, focused federal-provincial action. Ontario is making considerable effort to minimize inflation but success needs appropriate action by Ottawa."

All we seem to be getting here in Ontario is a dialogue between the Treasurer and the federal government as to who is to blame for this and who is to blame for that. No effort is put forth by the government to get down and settle the issue of high interest rates and inflation facing the people of Ontario and Canada.

When I think about the proposed income tax increase of four percentage points, over the past 10 years this relates to—I mentioned this the other night—an average increase of about 31 per cent per year in revenues generated by the increase. I suggest that is well above the inflationary trend. I looked at this in some depth and it is in contrast to past recommendations and studies done in the area of income tax.

I would like to quote some of those. This is from a report on the effects of Ontario's personal income tax proposals. It is a staff paper of the Ministry of Treasury and Economics. The report was done in December 1970. It talks about the Ontario proposed income tax rate schedule for Canada and it relates to the debates and proposals between the federal government and the province:

"Design of the Rate Schedule: The design of an income tax schedule represents the final balancing step in tax reform. Given the definition of a reformed tax base, the construction of a rate schedule involves judgements about the appropriate progressivity of the income tax system, that is, judgements on what constitutes a fair tax burden on high-income, middle-income and lower-income taxpayers. The rate schedule also determines the revenue yield of the new system and the growth of revenues over time as incomes increase with economic growth."

We have seen that over a period of 10 years there has been a substantial increase in economic growth and in revenue growth.

"The design of the proposed rate schedule presented in this chapter is based on the following criteria and constraints:

"1. A revised rate schedule, in conjunction with Ontario's other reforms, should generate

reductions in the personal income tax field equal to revenue gains to be realized from reforms in the corporate and capital gains tax areas. Ontario's proposals in these latter tax fields provide scope for a \$250-million to \$300-million reduction in personal income taxes."

It seems that principle has disappeared. Under this system of new taxation with an additional four percentage points, I am at a loss to find out what their method is in this area.

They say what they have done in this area over the last couple of years is to increase productivity and increase investment in Ontario. This year they have put the whole responsibility of tax increases on the shoulders of the individual wage earner in Ontario.

In the past couple of years, corporations have been given some great concessions in this area. It is to be hoped they will improve their productivity and their interest in the economic growth of Ontario.

One cannot hit the individual taxpayer all the time. I do not have to relate to the Minister of Revenue (Mr. Ashe) the increase in corporation profits in the last couple of years. If one looks at the financial statements and reads the newspapers and other things, it seems it has been very healthy for the corporations to receive the depreciation allowance, the depletion allowance, tax write-offs on land investments and so on. We have been rather fair to them.

In the meantime, since they have generated more capital and more profits, it seems the trend now in Ontario and Canada is for these corporations to move out of Ontario and make more foreign investments in the United States and other areas.

I feel that the type of taxation introduced by the Minister of Revenue and the Treasurer, which taxes the individual further and then turns around and gives grants to healthy corporations, is an unjust, unfair tax policy on the part of this government. It is not right, and I do not think it is called for. Individuals and corporations both have a responsibility to pay taxes in a fair and equitable manner. I feel that the burden recently has been shifted on to the individual, and it is not fair.

For example, as I suggested to the Minister of Housing (Mr. Bennett) last night when he was talking about his program for giving grants to the developers in Ontario, perhaps instead of giving the \$42 million to developers to increase residential homes and apartments in Ontario and to increase working capital and create jobs in the industry, he should make that money

available to individual home owners, the persons who want to buy new homes, to assist them in paying the high interest rates that new home owners are facing today.

If the government gives some assistance to home owners to purchase new homes, I am sure the same number of jobs will be created and industry will have the same opportunities to share in that type of development in Ontario. There are other ways to go about it. But to give an out-and-out grant to the private sector, which has done very well in the past 10 years in building high-rise apartments, is not justified with the present high interest rates.

In fact, if one wants to give home owners a break in this area to reduce the high interest rates, why not give it to them interest-free? Give them a tax reduction on the interest rates they are paying on their homes. That is not asking too much, and it certainly would give some assistance to the person who has to pick up the tab on the heavy increases that the Treasurer has put forward. One has to give the home owner, the person who is buying a home and paying high interest rates, some break now, because many people are going to be losing their homes, and many have already.

The same thing applies to the farming community. High interest rates are killing that industry. I suggest again that to tax the individual is not fair and justified.

When I look at the tax proposals put forward by the government, the high interest rates and the inflationary costs today, and the proposals put forward by this government to move the economy into an upswing, I do not think they are going to reach their goal, because they are working at cross-purposes with the federal government and the Bank of Canada. One cannot have high interest rates and expect people to go out and invest money in new industries. They cannot carry that load.

I suggest that taxing the people at this end and hoping the revenues from that are going to spur the economy in Ontario to generate new jobs, to generate productivity and to gear up industry will not work if one does not have a consumer who is able to buy the product. If one keeps taxing the consumer, one is removing that money from his pocketbook.

All I am suggesting to the Minister of Revenue is that there are other areas. The only way, I believe, that the government can swing the economy around and restore the consumer's confidence is to give him the money; then he

will go out and swing it around without the government's having to give grants to industry to do it.

We should not tax the average wage earner to death so the government can give it to the rich. It is wrong; it is an injustice. We should put the money into the hands of the consumer, the local wage earner, and he will turn the economy around without the government's having to subsidize this or that industry.

12 noon

There are other areas I would like to get into but I know that time is pressing and I do have a note here that says, "Wind it up." I tell members that this is an important area, and I suggest that the approach taken by the government is wrong. That is the reason that we on this side will not be supporting the increase in the personal income taxes.

There are other areas that the government should be tapping, and I feel the local corporations have been riding on a crest in the last couple of years through tax allowances and tax benefits given to them. I feel they should be shouldering some of this responsibility in a time of tight money, high inflation and high interest rates. Based upon that, I suggest we will be opposing the bill.

I want to add one other quote that I should read into the record. This relates to the Board of Industrial Leadership and Development program, and is from a speech by the Treasurer delivered on January 27, 1981. It says:

"During this period of adjustment, social priorities have been protected and high standards of service maintained. The fat has been cut from spending, but essential programs have not been eliminated. Local governments, schools, hospitals, universities and other agencies have continued to receive substantial provincial support.

"Prudent management of spending has enabled planned reductions in the provincial deficit. The deficit shrank from \$1.8 billion in 1975-76 to \$0.7 billion in 1979-80. Because of this improvement, the province has been able to avoid substantial tax increases which would have proved damaging to the economy."

That is sheer nonsense. What the government has done here is to increase almost every level of taxation. It has taken everything but the wallet from the wage earner in Ontario. I suggest, based upon that, we cannot support the bill.

The Deputy Speaker: Mr. Wildman.

Mr. Wildman: Thank you, Mr. Speaker. You were more attentive last night in recognizing me when I was about to speak in the debate.

I rise to speak in opposition to Bill 77, An Act to amend the Income Tax Act, and to express the concern of this party about the fiscal policies of this provincial government.

I suppose the Minister of Revenue (Mr. Ashe) might expect the members of this party to support an increase of the provincial income tax since, of all of the tax increases in the budget, this is the only one that in any way could be considered progressive.

It is certainly true that a provincial income tax that is geared to ability to pay is a more progressive type of taxation. It is not like a sales tax where everyone, no matter how much money one makes, pays the same tax on a purchase of a certain commodity. It also is not like the ad valorem approach the government is taking towards gasoline, fuel and other commodities in this budget. It is not asking for the ability to automatically increase the tax rate without coming back to the Legislature for approval.

It is not enough simply to look at the income tax increase in a vacuum and to act as if this is the only tax change that this government is bringing in as a result of the budget. When members look at the whole fiscal package the government has introduced, they will find it is in no way progressive.

Certainly, when we look at the effect of the Ontario health insurance plan premium increase and the fact that the government is requiring every family in this province, no matter how much that family's income is, to pay an additional \$72 for OHIP, and then look at the fact that the Treasurer (Mr. F. S. Miller) in his budget statement made the comment that he was unwilling to change the corporate tax rate because of the need to maintain a good investment climate, that is why we are very unhappy and very much opposed to the fiscal approach of this government.

The Treasurer is so determined to protect the corporate sector, to protect what he calls the good investment climate, that over the years the share of provincial revenues provided by the corporate sector has dropped. The average share in the 1960s was around 17.7 per cent of provincial revenues. By this year, that share will have dropped to 12 per cent.

Obviously, when the share of taxes paid to the provincial government by the corporate sector is lowered, the government must look elsewhere

for its revenue to meet its fiscal obligations. All of us in this Legislature and throughout the province know where this government has looked to obtain its additional revenue. It has looked to the ordinary individuals and families of this province at a time when the Treasurer himself admitted in his budget statement, "Over the past three years, wage increases have lagged behind inflation in Ontario."

The Treasurer admits that the average wage earner in this province is dropping behind in terms of his real income, the amount of money he has to spend for food, shelter, clothing, transportation and so on at a time when prices are rising, and it has been more and more difficult for the ordinary wage earner to meet his obligations over the last three years.

To be fair, this government does not try to participate in the charade that the federal Liberal government has tried to perpetrate on this country. At least this government admits that wage earners have fallen behind in Ontario. The Prime Minister of Canada, through subterfuge, would have us believe that the real incomes of Canadians have risen over the last decade, that things are not really too bad and inflation is all right and that therefore he can justify not doing anything on behalf of the average wage earner.

To be fair to Mr. Trudeau, I suppose, at least he tries to justify that the federal government is not doing anything for the average wage earner. He tries to justify it through an argument that I believe is fallacious, but he at least tries to justify it.

We have the unusual situation here, where this government honestly admits that wage earners have fallen behind over the last three years, that inflation is hurting them, and then says: "Despite that, we are going to increase their income tax rates. We are going to take more money from them, even though their real income has been dropping. We will increase personal income taxes by nine per cent in the province."

At the same time, of course, the Treasurer says in his statement that he wishes to "leave the corporate income tax and capital tax rates unchanged." It is obvious what interests are represented on that side of the House. The average wage earner will pay more and will be hurt more. The corporate sector will continue to pay the same rate, and the trend of a lower and lower share of the provincial revenue from the corporate sector will be continued and maintained.

That is always justified on that side of the House on the basis that they must maintain what is called an investment climate to maintain jobs in the province. They like to argue that if we did not follow this fiscal policy the economy of this province would be hurt so badly, investment would taper off, that there would be no growth of any significant amount, and that would mean there would be no jobs and therefore the wage earners whom they are taxing would not be making any money—they would be out of work.

12:10 p.m.

Basically that is a scare tactic, and it is not based on fact. If their policy of a good investment climate is actually working then why is it that we have had such a slow rate of real economic growth over the last few years? If their whole economic policy is adequate, why are we facing the economic problems we face today?

Since the budget was introduced no one on that side of the House—neither the Treasurer nor the Minister of Revenue nor anyone else—has stood up during this whole debate in this session and tried to justify the government's economic and fiscal policy. They have just sat and listened.

The Minister of Revenue, when he has heard the opposition spokesmen make their points, has sat somewhat impatiently at times and at other times more patiently; he has stood up at the end of the debate to move second reading and has looked at the clock and said: "Because of the time I really do not want to respond at too great a length to the comments made by the opposition. I am sure everyone understands the policy of the government, and, besides, as the Minister of Revenue I do not set the policy; it is set by my colleague the Treasurer."

Hon. Mr. Ashe: I did not say that.

Mr. Wildman: The minister has said that at times in this House. Quite frankly, it is true, he does not set the policy. I do not debate that. It is set by his colleague the Treasurer, who in most cases does not even appear when budget bills are being debated in the House. He leaves it to his friend and colleague the Minister of Revenue.

Hon. Mr. Ashe: Well, colleague anyway.

Mr. Wildman: Perhaps they were friends before the minister got into this role; I do not know.

The problem with the argument that the government puts forward about the need for a good economic climate and thus about the need

to maintain lower corporate tax rates is that if we look at the performance of the economy in whatever industry one wants to pick—whether it be food processing or the auto industry especially, machinery, electronics or whatever—we can see serious problems. We can see plants that are being shut down; we can see parent firms that are withdrawing from their operations in this province and moving and consolidating their operations in the parent's plant. We do not see any evidence that the government's policy of further concessions to the corporate sector has worked. Yet this government continues it like a broken record, over and over.

If the government feels the opposition has been making the same kinds of points over the last couple of months I think we might be forgiven if we look at the performance of this government over the last few years in its economic policy and planning. It is the same thing over and over again despite the fact that it does not work.

I suppose the Treasurer and the government are trapped by their ideology. They like to talk about this party as being too firmly committed to a particular ideological view, but when one looks at their performance it is really they who are the ideologues. They are the ones who are determined that the only real way to provide economic growth in this province is through concessions to the corporate sector. When they do that it means they must raise taxes elsewhere because they have obligations they have to meet, and that means the burden must fall on the ordinary wage earner in this province.

It makes sense, as I said, when one looks at the overall view of things. This government perhaps represents the interests for whom they are not raising taxes. They would like to think they represent all the interests in the province. I do not think this budget and this bill indicate that they represent the workers of this province, the average wage earners or the small businessmen. Why does big business get off so easily while there is no additional assistance for small business?

It is interesting that in his budget statement the Treasurer admitted that the policy of concessions to the corporate sector to encourage development had failed in one specific area, and that is in encouraging the growth of research and development in this province. The Treasurer said the concessions this government had given for R and D had been a failure, and we were not going to meet, by 1985, the target the federal government has put out for encourage-

ment of R and D for this country. We are just not going to make it. The Treasurer admitted that, but he did not have any other options, he did not have any other suggestions. All he could say was: "We have given all these concessions. They have not worked." He has no idea what can be done, so he says, "Perhaps the federal government should give some more concessions."

He has admitted his policy of concessions is a failure, yet he is suggesting the federal government should follow a further policy of the same sort and perhaps some way—through magic, I suppose—it will not fail where his government has. There is just a complete bankruptcy of ideas over there. The government cannot come up with any other proposal, so it continues the same tired policies that benefit the corporate sector but do not provide the results the government wishes. There is no question the corporate sector benefits from tax concessions or rebates on taxation; no question about that. But it does not produce the results in terms of jobs that this government would like the people to believe. In most cases, all it produces is an increase in profits, and the profit picture has not been bad over the last couple of years.

Ironically, on the few occasions when these concessions, which are directly aimed at providing for jobs in the province through modernization of plants or R and D or whatever, do have the desired effect, when the corporation does indeed become involved in those kinds of new developments, the net result in terms of employment is a loss of jobs, not an increase in jobs. We have seen that not just with tax concessions but with the other very invidious approach, I think, of this government, and that is through direct grants, either from the employment development fund or the Board of Industrial Leadership and Development program. The worst example, of course, is the pulp and paper industry, which this government does not like to hear about, because even its own advisers are telling it those grants were not needed for its purposes.

At the time the announcement was made under the EDF program, the vice-president of Spruce Falls Power and Paper Company made a statement that his company, and the pulp and paper industry in general, did not need, nor did they want, grants from the public purse for modernization of equipment; that they were good corporate citizens; that they were innovative; that they were good free enterprisers and did not believe a so-called free enterprise government should be involved in that way in

the free market; that they would carry out their responsibilities without this kind of money from the public sector.

But despite that, this government went ahead and made the grant. It is interesting that the corporate executive to whom I was referring then said, "Well, of course, if the other companies are going to get grants, our company should get one too, in order to remain competitive." I have always felt with some sadness that this government, which professes to be a free enterprise government, has subverted the free enterprise philosophy of a man like the vice-president of Spruce Falls.

The Deputy Speaker: What is more interesting to me is how this relates back to the bill.

Mr. Wildman: Mr. Speaker, as you are well aware, this relates to the bill. As we know, the reason this government is increasing the personal income tax rate is to assist it in raising \$603 million in revenue so that it can maintain a deficit level in revenues of less than \$1 billion. The reason they are having to move to this kind of taxation is because they are unwilling to raise it in the corporate sector. If they do not collect money in one area, they have to collect it in another.

12:20 p.m.

We have seen what they have done in terms of sales taxes and ad valorem taxes and so on. There has been protracted debate on that in this House and now we see what they are doing with the corporate sector in giving them a free ride while collecting more and more from the ordinary wage earner in the province. That is how it relates.

Mr. Di Santo: They are making bums out of the corporations. Corporate welfare bums.

Mr. Wildman: Corporate welfare, that's right. Where have we heard that before? I am sure the Minister of Revenue will reiterate this when he gets up to respond—if he responds. He will argue that in relation to the federal tax rate this government is only raising the personal income tax rate from 44 per cent to 46 per cent this year, and then to 48 per cent next year and that it is one of the lowest in the country. I think the government argues it is the third lowest in Canada. They like to go around telling the world, "Yes, we did increase personal income taxes but they are still lower than most of the tax rates in the country."

The argument ignores the fact that most of the other provinces to which this government compares itself do not collect health insurance

premiums. They are taxing at a higher level partly because of the fact they pay for their health care systems through direct government revenues, through taxation. We cannot ignore those health care taxes, because that is what they are. It is unfortunate that we do not have the opportunity of voting directly on that policy except through a no-confidence vote, because when we combine the Ontario health insurance plan premium increase with the increase in personal income taxes we see that the percentage of the federal tax is much greater than 44, 46 or 48 per cent.

I will not go into this at length, but a family earning \$15,000 a year will be paying 80 per cent; one earning \$20,000 will be paying 70 per cent; and one earning \$25,000 will be paying 65 per cent. That is the real level. I know the Minister of Revenue said in the House before that it is unfair, we should be talking about real dollars and not percentages, but the fact is we do not have a progressive tax system when we combine the OHIP tax with the personal income tax. In fact, the less people earn, the larger percentage they pay. That is not progressive and that is the reason we cannot accept the fiscal policy of this government. We believe the taxation must be made as progressive as possible and the rate paid in taxes must be related to the ability to pay and to the amount of money earned. We cannot accept it.

It is not as if we are saying we are opposed to this increase and we are opposed to the OHIP premium increase and that is it; we are just opposed, we are not providing any alternative. That is not the case. Over and over this session we have indicated to the government that we understand it has to increase its revenues. They have a fiscal problem. We do not really believe they should be increasing their revenues to give away grants to the private sector which are not needed, but there are certainly social programs being cut, health care programs, hospital programs where there are cuts taking place that we cannot accept.

We understand that the government must increase its revenue in order to pay for those programs, but we suggested ways that could be done. We said the corporate tax rate could be increased by one point. That would be \$82 million. We said some of those tax expenditures, the concessions to the corporate sector, could be closed. That would provide revenues. Even in terms of the fast write-off on machinery and equipment, that would be \$340 million this year.

We talked about the possibility of re-establishing

a succession duty on the top three per cent of estates in this province. That has been objected to by my Liberal colleagues because they say we are interested in taxing the dead. I have said before that if we do not collect those kinds of revenues what we are doing, by increasing revenues through personal income taxes and Ontario health insurance plan premiums, is taxing the poor and the sick because we are not taxing the dead.

If the government really believes it should increase the income tax rate why must it look at an across-the-board increase instead of being a little more imaginative and looking at the possibility of a surtax, for instance, on incomes over \$40,000 a year so that those making more would be paying more? Those kinds of wage earners might have recourse to other exemptions to protect them, such as registered retirement savings plans and so on, but why did the government not at least try to be progressive in its approach?

We have said repeatedly over the years this government should look at a return on resources development in this province even approaching the rates obtained not only in Saskatchewan but even in Alberta. By looking at Saskatchewan, discounting oil and gas energy and just looking at metal and nonmetal resources, we could be collecting more than five times as much as we are collecting in Ontario today.

Those progressive sources of revenue would provide more than the \$603 million this Treasurer is increasing the revenues this year and more than enough to provide for progressive programs we believe are necessary in this province. We are opposed to this kind of increase. We are opposed to an across-the-board income tax increase which, combined with the health care tax, means we have a very regressive system. For that reason, the members of my party will vote against this bill.

Mr. Laughren: Mr. Speaker, I will speak briefly to this bill because I know the minister would like the wisdom of a couple of New Democrats in this debate. I hesitated for some time before deciding I wanted even to vote against this bill. I do not mind confessing that to you.

Hon. Mr. Ashe: Stand up when we do.

Mr. Laughren: I am standing up now telling you why I came to the decision I did. It seems to me as a Socialist, when it comes to progressive taxes, that is what I am in favour of and, therefore, I should be supporting progressive taxes such as those based on income.

I was thinking about an old friend of mine—in spirit, if not in other ways—Mr. Kenneth Carter, who through the federal Royal Commission on Taxation made some profound comments on taxation in this country and who was scuppered by the federal Liberals in implementing any kind of true tax reform. Mr. Carter talked about how, when one looks at any one tax, one can make the mistake of saying one has a progressive tax system or a regressive tax system.

He said: "In the light of these criteria, we believe that the present tax system is inequitable in many important respects. The combined effect of sales taxes, corporate income taxes, property taxes and the present personal income tax rate and base is such that lower income individuals and families pay higher taxes than is equitable when compared to the middle and upper income individuals and families."

That was the late Ken Carter speaking. Those are very true words. I suspect this government would not deny otherwise when discussing its own tax system.

12:30 p.m.

What it boils down to is that, despite all the taxes, all the tax credits and all the income supplement programs in this country, in 1981, roughly 35 years after the end of the Second World War, we still have zero redistribution of income in this province or anywhere else in this country. There has been no redistribution of income and wealth whatsoever. The bottom 20 per cent of income earners now earn four per cent of the national income and the top 20 per cent earn 40 per cent in round figures.

That has not changed since the Second World War, despite the plethora of income support programs and tax credits. It does not change and it will not change as long as we have these great free enterprise luminaries sitting on the other side of the House and in Ottawa. As a New Democrat, I am offended by that. One reason I am a New Democrat is because I believe in a more equitable tax system.

In its recent budget, the government has chosen to raise some user fees, some sales taxes and some income tax. I do not disagree with the need for some user fees. For example, I have no hangup about special taxes on liquor, cigarettes or even racing at the tracks. However, I am greatly offended by a tax on OHIP premiums. That tax offends me a great deal. As my colleague, the member for Algoma (Mr. Wildman) said, when we add all the personal taxes that apply to individuals in this country, Ontario

ranks as number one in imposing taxation on its citizens. There is no other province, including the poorer maritime provinces, that imposes as high a level of personal taxes on its citizens as Ontario does.

Over the years, Ontario has been able to disguise that by raising things like OHIP premiums. In a society as wealthy as Ontario, it is a disgrace that to this day we have OHIP premiums. It will be one of the major gains for the people of Ontario when they decide it is time to replace that tired old group over there with exciting New Democratic Party government in Ontario. One can tell from my colleagues that it is going to happen. Would they thump their desks for an idle promise? No, they would not.

Hon. Mr. Ashe: It depends which way you are going to move to make room for the Liberals.

Mr. Laughren: The Liberal Party has a long way to move to the left before it starts bumping into New Democrats in Ontario.

Hon. Mr. Grossman: Or until they bump into us, for that matter.

Mr. Laughren: As a matter of fact, they could lurch perceptibly to the left and still not bump into the Tories in Ontario, at least some of them. I look at the member for Waterloo North (Mr. Epp). He could sprint to the left and not even get close to the Tories. However, there are others over there who would not have to sprint so far, I suspect, including their leader.

Interjections.

Mr. Laughren: We are trying to save the good people of Ontario from a continuation of Tory rule that has gone on for almost 40 years now.

Mr. Elston: Is that why you want extra money from them?

Mr. Laughren: As free enterprisers, they should know that they live in a smash and grab society. If they think New Democrats will stand by and not obtain as much research money as possible in order to make that government honest, then they really are silly and they do not understand New Democrats.

Mr. Speaker: Could you return to the bill now, Mr. Laughren?

Mr. Laughren: I shall try very hard, Mr. Speaker.

There is the member for Sudbury (Mr. Gordon). I am glad to see him in here this morning. When it comes to revenue that could be used, instead of regressive taxes, the member

for Sudbury could give the government some suggestions as to where to get it. I do not know whether he intends to—

Mr. Gordon: I can give you suggestions as to where to spend it.

Mr. Laughren: Yes, where to spend it. But unlike the member for Sudbury I have always believed one has to create wealth before one can spend it. The Tories are very bad that way. They go about willy-nilly spending money without really changing the tax base. It is like when we created regional government in Sudbury—a whole new level of government but no new resources for it, no continuing resources for it in the form of increased resource revenues in the province.

Mr. Gordon: It is a great city.

Mr. Laughren: Sudbury is a great city, yes. I went there voluntarily. I was not born there—I went there by choice. So, like my colleagues, I am not going to support this bill, because it is part of a package of taxation we find so terribly regressive. You cannot accept one tax without taking into consideration all the other taxes that go to make up tax policy in Ontario. For that reason I am going to oppose the bill with my colleagues, although I did some soul-searching to come to that decision, quite frankly.

The government had the possibility of raising money through succession duties, which they have walked away from completely, on estates of over \$300,000. They had that floor in place and they wiped it out. Now no succession duties are paid in Ontario. They had the opportunity for all sorts of increased resource revenues and they walked away from it. Finally, they have an opportunity to take up the 50 per cent on capital gains tax that is not being taxed at the present time. That would be truly a progressive tax in the province, and it could raise some substantial revenues as well.

So for those reasons I join all my colleagues in opposing this bill.

Mr. Speaker: Does any other honourable member wish to participate in this debate? If not, the minister.

Hon. Mr. Ashe: Mr. Speaker, I will try to respond briefly to a few points and questions raised by the honourable members opposite. I think it is only fair, since I did not have an opening statement, to clarify for the benefit of the record that during 1981 the effective rate is not 48 per cent but 46 per cent, because the—

Mr. Wildman: I said that.

Hon. Mr. Ashe: I appreciate that, but there was some uncertainty somewhat earlier. Forty-six per cent is the effective rate for 1981, since the 48 per cent rate is only applicable for half of the year. I shall point out for the benefit of honourable members, as I was told I should, the fact that, with the increase, Ontario still has one of the lowest personal income tax rates in Canada.

Reference has been made to hitting the individual taxpayer again. Yes, that is true. But it is not at the expense, to use the words of others, of "big profits of corporations and still growing." It is true that some parts of the corporate sector have had great success recently in their profit and loss columns—mostly in the profit column—but I suggest that this does not necessarily mean that right across the board all corporations are making more and more money.

There was also the suggestion—and I think there is some uncertainty in the minds of some members—as to the way the corporate tax rate works vis-a-vis the profits of the corporations and the personal income tax rate. We seem to be talking about a low rate of 10 or 14 per cent when we mention the corporations, and we are talking about these big numbers, 46 or 48 per cent, when we talk about personal income tax rates. That is not really the case at all.

The personal income tax rate is a percentage of the federal income tax, whereas the corporate rate is a percentage of the profits of the corporation itself. When one puts those numbers into perspective it is clear that both the tax rate and the percentage of growth of the tax rate of the corporate sector have grown over the last number of years. In the last decade—I think that was a period of time used by at least one member opposite—personal income tax revenues, including the estimates from fiscal 1981-82, are projected to increase 328.6 per cent. In the same period the total revenues from corporation taxes will have increased 353 per cent, contrary to the position that their percentage has gone down in the last decade. Of course that is not so.

If we were to look at actual rates themselves we would note, for example, that someone with a personal taxable income as low as \$2,000 pays an average rate provincially of something in the order of five per cent of their actual income.

12:40 p.m.

I would suggest this will have great appeal to the members of the third party. A person would have to earn a personal taxable income of \$100,000 before the average rate provincially

reaches 14.7 per cent. That is really the first level where it has exceeded the corporate tax rate even when we exclude the small business deductions. So whether we are looking at the dollars or looking at the rates, the corporations are paying their fair share.

I find something else rather difficult in the third party's rationalization in deciding not to support this legislation. That is the lack of recognition that not only is the personal income tax progressive—which has already been identified, I acknowledge that—but the fact that in this legislation we have lowered the taxes for an estimated 60,000 Ontarians at the lower end of the income scale. This must have great appeal, I would suggest to the members, if for no other reason than humanitarian, particularly to the members of the third party.

This has not been recognized at all in the comments being made opposite. There was no recognition, and some comparisons with the corporations have not been mentioned at all. Of course, we are not discussing the amendment to the Corporations Tax Act at this time. I suggest to the members that those who have made those references should go back and look at the budget document, and the statements that were contained therein, and they will find there have been impositions on certain parts of the corporate sector, vis-a-vis extra demands on them during the coming fiscal year.

I give one example, which relates to the resource sector. There are going to be limitations to the deductions for expenses and allowances for write-offs, and a reduction in the extent to which oil and gas corporations may deduct depletion allowances. These will generate an additional \$15 million.

There was also reference to the fact we have done nothing to help small businesses. Again, may I draw the members' attention to the budget under the heading "Small Business Development Bonds," which I think is a very attractive vehicle for the small business to raise necessary capital.

Mr. Speaker, I hope my brief comments have convinced at least some members opposite in the third party to reconsider their decision and support this piece of legislation.

Mr. Speaker: Those in favour of the motion will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Third reading also agreed to on motion.

12:50 p.m.

PLANNING AMENDMENT ACT

Hon. Mr. Bennett moved second reading of Bill 85, An Act to amend the Planning Act.

Mr. Nixon: Has the minister got a statement?

Hon. Mr. Bennett: Mr. Speaker, if the members wish to have some debate on it, that is fine. I think the compendium to the bill has been issued to the opposition. The bill has four relatively simple amendments to the Planning Act.

One has to do with the Partition Act, but I think it has been explained on more than one occasion. It is causing us some difficulty with subdivisions being approved as a result of a presence before a judge. I doubt very much anyone in this House or this Legislature could agree that a judge should be trying to do the planning for any given municipality.

The second section deals with the fact that, in land drainage which abuts one piece of property to another for a longer period than 21 years, it would require to gather a consent. We are eliminating that requirement. Drainage really applies more to the Minister of Agriculture and Food.

The third one relates to the Ontario Municipal Board where there are appeals from Ontario Municipal Board decisions that relate to decisions made by committees of adjustment on severances. Where they are of a strictly local nature, we have moved the amendment to the act so that the appeal ends at the time of the OMB decision. It cannot be brought forward to cabinet.

The other issue relates to land division and committees of adjustment where they have asked for an increase in fees for applications made before them. It has been some years since there has been an upward change and we are now bringing it up to a maximum of \$100. It is optional. In the new Planning Act that will come forward in the fall, there will be further amendments to that situation.

Mr. Epp: Mr. Speaker, we also will be supporting this bill. They are largely technical matters or housekeeping measures that are included in the bill.

If we look back over some years we find that back in the 1940s and the 1950s there was little time spent on planning matters as far as municipal councils were concerned. I recall my father-in-law, who was planning board chairman in the city of Waterloo back in the 1950s, telling me even at that time the map for the city of Waterloo was on the back door of a shed that

a blacksmith was using. He had the map for the city there in the late 1940s and the early 1950s, so they did not have a planning department in the city of Waterloo. I presume that a lot of other places did not have the sophisticated staff they now have to deal with planning matters.

As a result of the disinterest, or less emphasis on planning matters, a lot of the other acts we had in the province dealt with planning. Since that time it has been the custom or the intention of government to concentrate planning more in certain planning acts, rather than have them concentrated in other statutes.

As the minister has indicated, one of the measures included in this bill deals with mutual agreements made between land owners on drainage matters and with subdivision control. This will help to clarify that part of the act.

The second part is very important, particularly to various municipalities in this province—the reason being that individuals who have sharp lawyers representing their interests have been able to take those matters to judges and have decisions made on the basis of the Partition Act, rather than on the Planning Act. These decisions have not always been ones that would have had concurrence if they had been dealt with under the Planning Act.

It is proper the ministry should take the initiative at this point and give less emphasis to the Partition Act and more to the Planning Act, particularly with respect to section 29 of the Planning Act.

When we look at the Partition Act, we find that in the Supreme Court of Ontario, the Court of Appeal, a judgement was written by Judge Arnup back in December 1980 in a case between William Yeotes, George Zegouras, Peter Zegouras and David Ross as the defendants, and the Attorney General, William Harry, Catherine Harry and Hazel Harry as the plaintiffs.

We find in that case Judge Arnup is speaking to these two joint actions that the Partition Act can be used as a means of subdividing land without complying with provisions of the Planning Act as amended in section 29. Judge Montgomery held that in the method adopted and the result achieved by the respective sets of defendants there was “a censurable evasion of a statute.” He said the defendants constituted “a censurable evasion of a statute” and that there was “an insult to an act of Parliament.” I suppose he was referring to the Planning Act in that particular judgement.

He goes on with a number of cases, such as

the case of Kilbourn and the committee of adjustment in 1975, where he finds that "where the divisional courts said direct devices were not a method of severance of land that fell inside the list of prohibited transactions." In other cases, he goes on to say: "A number of the other acts were used for instance in getting divisions of land." He cites the Devolution of Estates Act and Married Women's Property Act.

Obviously, different acts were used. This particular bill will give us an opportunity to concentrate greater emphasis on the Planning Act. The various municipalities have asked for an increase in the fees and, as the minister has indicated, it is optional.

With respect to the committee of adjustment and land division committee decisions going to the cabinet, these are not major decisions and for that reason we will concur with the Ontario Municipal Board being the final arbitrator with respect to these disputes. Some consideration had been made with respect to sending them back to municipal councils—something that Comay recommended in certain instances—but, on second thought, we will go along with the government on this particular recommendation that the Ontario Municipal Board be the final arbitrator with respect to the divisions of opinion on committee of adjustment and land division committee decisions.

Ms. Bryden: Mr. Speaker, our party is also supporting this bill because it is closing some loopholes that have developed in the Planning Act. It is incredible to me how long this government takes to close loopholes when people are making great financial benefits from them. I think part of the delay has been the long delay in revamping the whole Planning Act. I hope that will not be delayed too long.

The major loophole that this act is closing is preventing end runs around the planning process by use of the Partition Act. Certainly, land conveyances under that should be subject to the same consents as land partitions and subdivisions under the Planning Act. We certainly support the closing of that loophole. We also support the other section of the bill which raises the fee, because I understand the costs of this kind of process are considerable. We agree with all the other changes in the bill.

I will support second reading of this bill.

Hon. Mr. Bennett: Mr. Speaker, I just want to thank the members of the Liberal Party and of the New Democratic Party for their support. I trust the amendments we have made not only will meet with the satisfaction of the municipal-

ities and the land divisions and committees of adjustment but indeed will also improve the general planning in communities throughout this province.

Motion agreed to.

Third reading also agreed to on motion.

Hon. Mr. Wells: Mr. Speaker, I believe that His Honour awaits us so that he may give royal assent to some of these bills.

1 p.m.

ROYAL ASSENT

Hon. Mr. Aird: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed several bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

First Clerk Assistant: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 59, An Act to amend the Fire Marshals Act;

Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975;

Bill 70, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund;

Bill 72, An Act to amend the Gasoline Tax Act, 1973;

Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act;

Bill 77, An Act to amend the Income Tax Act;

Bill 78, An Act to amend the Ontario Pensioners Property Tax Assistance Act, 1980;

Bill 85, An Act to amend the Planning Act;

Bill 86, An Act to amend the Power Corporation Act;

Bill 92, An Act to amend the Registry Act;

Bill 116, An Act to amend the Milk Act;

Bill Pr7, An Act respecting the City of Windsor;

Bill Pr14, An Act respecting the City of North York.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Government doth assent to these bills.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before moving the adjournment of the House, I want to

indicate the business for Monday.

The House will be sitting on Monday afternoon and evening to consider legislation. Immediately after question period, we will begin with Bill 67, followed by Bill 129, the amendments to the Workmen's Compensation Act. Then the

House will go into committee of the whole to consider Bill 89, Bill 90 and Bill 95. The House will then consider second reading of Bill 68, followed by Bill 124, Bill 126 and Bill 127.

The House adjourned at 1:04 p.m.

APPENDIX

ANSWERS TO QUESTIONS ON NOTICE PAPER

GOVERNMENT ADVERTISING

65. Mr. McClellan: What is the estimated health advertising budget for 1981-82? What was the health advertising budget for 1980-81? (May 1, 1981.)

Hon. Mr. Timbrell: Health advertising requirements for 1981-82 will depend largely on the level of disease occurring in the province. The advertising budget for 1980-81 was \$2,169,600.

ETHNIC LANGUAGE SERVICES

67. Mr. McClellan: Will the Minister of Health table a list of health programmes directly funded by the province which provide services in languages other than English, specifying the languages used? (May 1, 1981.)

Hon. Mr. Timbrell:

Health programs	Service language
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1. Health promotion education

Educational material	French
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including pamphlets,
booklets, posters,
exhibits, e.g.,

Pamphlets — Ontario Drug
Benefits for Senior
Citizens

— Preparing for Surgery	French Italian at near present future
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— OHIP's Premium Assistance	French Italian
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Posters — on food handling is being prepared in,	French, Chinese, Portuguese
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Booklet — Starting Treatment for TB"	French, Chinese, Vietnamese
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Under consideration is an educational program in prenatal health for Portuguese women.

2. Public health

Support to health units in

— recruitment of ethnic- language speaking staff.	As required to meet needs of ethnic community
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— training of existing staff and recruitment of qualified personnel.	French
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— cost-sharing of translation and interpreter services.	As required, to meets needs of ethnic community
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3. Hospital services

— staff training and language upgrading	French
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— recruitment of staff	
— translation services	

4. Ministry of Health

— staff training.	French
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PUBLIC HEALTH EXPENDITURES

69. Mr. McClellan: Will the Minister of Health provide an estimate of the total dollar amount which will be allocated to the expansion of public health programmes in 1981-82? (May 1, 1981)

Hon. Mr. Timbrell: Estimated allocation for public health programs in 1981-82 is \$137,818,200. This represents an estimated increase of \$27,808,700 over the 1980-81 allocation of \$110,009,500.

GRANTS TO PULP AND PAPER COMPANIES

95. Mr. Foulds: Will the ministry list the specific modifications, improvements and new equipment that has been obtained in each of the pulp and paper mills whose companies have

received grants from the employment development fund (or through the BILD program)? Will the ministry list the amount of grant in each case, the total amount of investment, and the number of jobs gained or lost? Will the ministry be site specific by naming each mill and location? For those mills where the improvements, modifications and new equipment are not yet complete, would the ministry list those improvements, modifications and new equipment, that are specifically agreed to by each company? In addition, would the ministry summarize the answers by including a series of tables giving the above information patterned after those in the Ministry of Natural Resources document entitled *The Ontario Pulp and Paper Industry — Status and Outlook*, April 1978? (May 15, 1981)

See sessional paper 146.

MULTICULTURAL TELEVISION

103. Mr. Ruprecht: Are there any established criteria, which are used to define multicultural programming on TVOntario, and if there are, will the Minister of Culture and Recreation table those guidelines? (June 1, 1981)

Hon. Mr. Baetz: The government of Ontario policy on multiculturalism and citizenship includes four elements: equality of all members of our society, full access to government services, their participation in decision making, their cultural retention and sharing. TVOntario fully supports this policy and is actively involved in promoting the sharing of Ontario's multicultural resources and the increased understanding and appreciation of Ontario's ethnic diversity by all Ontarians.

All of TVOntario's programs in English and in French recognize, reflect and enhance the character of the province. Fundamental to that character is its multicultural nature. Some programs deal specifically with multicultural issues, bringing them before a wide and general audience. The recent and substantial series *People Patterns* fulfilled that objective, as did *Immigrant Children* broadcast on June 2, 1981.

Because the gist of the honourable member's nine questions seem to carry a different definition of "multicultural" than the one TVOntario uses, I have some difficulty in answering his questions. However, each question is answered assuming that by "multicultural programs" he means those programs that are directed to specific issues of multiculturalism. But I want to emphasize that all of the programming of TVOntario

is sensitive to the varied multicultural character of the province.

For example, scriptwriting reflects the values of a multicultural society and casting reflects Ontario's ethnic diversity in many programs such as *Polka Dot Door*, *Body Works* and even TVO identification slides. All support material is bias-free and all races are represented in print as well. Finally, in program content choices, multicultural issues are continually addressed (e.g., *People Patterns*.) This sensitivity to our multicultural reality is assured by the diverse cultural backgrounds of the staff of TVOntario.

What is more, TVOntario's programs for children, or senior citizens, or directed to the classroom, or dealing with computer technology, or music, or about the heritage and business of the province, seem to be appreciated by Ontarians of every national origin.

104. Mr. Ruprecht: Will the Minister of Culture and Recreation list all the multicultural programs broadcast over TVOntario for the period from January 1, 1980, to December 31, 1980, and for the period from January 1, 1981, to May 31, 1981, providing the day of the week, the time and length of broadcast? (June 1, 1981).

Hon. Mr. Baetz: The list of TVOntario programming on multiculturalism includes the following topics: native people of Canada, founding people of Canada, immigrants, prejudice and racism, culture from homeland countries, and French-language materials. Almost all programs broadcast by TVOntario receive multiple broadcast.

Please see sessional paper 136 for complete listing.

NB: The day of week and time of broadcast are difficult to calculate given the number of times programs are rebroadcast. Calculation of these figures would require inordinate staff time.

105. Mr. Ruprecht: Will the Minister of Culture and Recreation list all the multicultural programs produced directly by TVOntario or whose production costs were subsidized by TVOntario, providing the total cost of each production and the amount of financial support from TVOntario? (June 1, 1981.)

See sessional paper 136.

106. Mr. Ruprecht: Will the Minister of Culture and Recreation list all the multicultural programs purchased for rebroadcast by TVOntario from other agencies or corporations? (June 1, 1981.)

See sessional paper 136.

107. Mr. Ruprecht: What percentage of total broadcast hours on TVOntario does multicultural programming represent? (June 1, 1981.)

Hon. Mr. Baetz: In 1980-81, programming at TVOntario which focused specifically on multicultural issues or themes represented 3.36 per cent of total broadcast hours. Please note that all of the programming of TVOntario, whatever its content matter, is sensitive to the varied multicultural character of the province.

108. Mr. Ruprecht: What percentage of total production dollars does the production of multicultural programming represent? (June 1, 1981.)

Hon. Mr. Baetz: In 1980-81 TVOntario spent \$363,700 on producing programs which focused specifically on multicultural issues and themes. This amount is four per cent of total production costs (\$9,060,400) for TVOntario in 1980-81, and 3.2 per cent of total production and acquisition costs (\$11,459,500). Please note that all of the programming of TVOntario, whatever its content matter, is sensitive to the varied multicultural character of the province.

109. Mr. Ruprecht: Have there been any formal meetings between representatives of ethnocultural communities and TVOntario representatives, and if there have, will the Minister of Culture and Recreation table a list of such meetings, providing the names of the ethnocultural organizations and/or individuals represented as well as the relevant TVOntario representative or representatives? (June 1, 1981.)

Hon. Mr. Baetz: TVOntario relies on input from the various sectors and elements of Ontario society when producing and acquiring programming. For example, advisory committees on open sector programming, projects at the post-secondary level, and French-language programming have been formed and give valuable advice on all these areas. These committees are composed of interested parties from a cross-section of Ontario society. Representatives of various ethnocultural backgrounds, including representation from the Ontario Advisory Council on Multiculturalism and Citizenship, sit on these committees.

In addition, the extensive and valuable system of five regional councils makes its views on a variety of topics known to TVOntario. Each council is responsible for ensuring TVOntario is aware of its region's special needs, including multicultural program suggestions.

On a general level, other recent contacts with the multicultural community include meetings with the Canadian Ethnic Journalists' Club and

the Toronto Board of Education Multicultural Committee.

110. Mr. Ruprecht: Is there any specific unit or department or individual within TVOntario responsible for consulting with the ethnocultural communities on an ongoing basis, and if there is, will the Minister of Culture and Recreation list them, providing their mandate? (June 1, 1981.)

Mr. Baetz: Consultation with all groups and organization with interest in TVOntario program activities takes place on a project-specific basis. Each program or series produced by TVOntario relies heavily on advisory groups.

For example, the producers of *People Patterns*, a series with a focus on multicultural sharing, worked with representatives of many ethnic groups in preparing the programs, including:

Jones Avenue Adult Day School; Metro Roman Catholic Separate School Board; Refugee Resettlement Program, Roman Catholic Diocese of Toronto; United Church of Canada; Transitional Year Program, University of Toronto; Operation Lifeline; Ontario Human Rights Commission; Canadian Council of Christians and Jews; Riverdale Intercultural Centre; Urban Alliance on Race Relations; Federation of Labour; Federation of Native Centres; Liaison Group on Law Enforcement and Race Relations; Ontario Welcome House; West End Y, Toronto; Metropolitan Toronto Police; Ontario Women Teachers Federation; Representatives from Carter Report on Racism, 1979; Kenora Native Women's Association.

111. Mr. Ruprecht: Is there any specific unit, department or individual within TVOntario responsible for either the production or purchase of multicultural programming, and if there is, will the Minister of Culture and Recreation identify and list the responsible person or persons, providing their mandate? (June 1, 1981.)

Hon. Mr. Baetz: The production and acquisition of multicultural programming is handled within the overall mix of production and acquisition at TVOntario. The producers and acquisition officers are aware of the issues in the multicultural area and are sensitive to the needs of these communities when proposing new productions or acquisitions.

PUBLIC TRANSIT

121. Mr. Samis: Would the ministry provide details of the amount of money transferred by the province to each municipality of Ontario for the purpose of public transit? Would the minis-

try please provide actual amounts for the last three years and projected for 1981-82, for both capital and operating costs for each municipality operating a public transit system? (June 8, 1981.)

See Sessional Paper 137.

COMMISSION ON DECLINING
SCHOOL ENROLMENTS

125. Mr. Grande: Would the Ministry of Education list each of the recommendations made by the Jackson Commission on Declining School Enrolments which have been implemented to date. In the response, would the ministry provide details as to the date and method or policy change by which they were implemented? (June 8, 1981.)

Hon. Miss Stephenson: The ministries' response and follow-up action to the Commission on Declining School Enrolments are contained within part III of Issues and Directions published by the ministries in June 1980.

See Sessional Paper 138.

FUNDING FOR EDUCATION

126. Mr. Grande: In light of the Minister of Education's statement in the Legislature on May 4, 1981, that "the funding which is provided in direct general legislative grants, and the funding which is provided to support education in a

number of other ways, including the seniors' tax grant credit" amounts to "more than 61 per cent of the total cost of elementary/secondary education across Ontario," would the ministry provide a detailed breakdown of those and other sources of provincial funding for the past five years, and projected for 1981-82 which substantiate the minister's statement? (June 8, 1981.)

See Sessional Paper 139.

127. Mr. Grande: In light of the Minister of Education's statement in the Legislature on May 4, 1981, that "the funding which is provided in direct general legislative grants, and the funding which is provided to support education in a number of other ways, including the seniors' tax grant credit" amounts to "more than 61 per cent of the total cost of elementary/secondary education across Ontario," would the minister provide a detailed breakdown of those and other sources of provincial funding for the past five years and projected for 1981-82 for the following school boards: Toronto Board of Education, Metropolitan Toronto Separate School Board, Borough of York Board of Education, and Ottawa Board of Education, in order to show the percentage of provincial support for education in each area? (June 8, 1981.)

Hon. Miss Stephenson: It is not possible for this ministry to provide information as requested in the above question with respect to the breakdown of other than general legislative grants by school board jurisdiction.

	Expenditure	Provincial Government Grants	Percentage Rate of Support
Metropolitan Toronto School Board			
1976 — Elementary	367,295,721	97,595,797	26.57
— Secondary	315,949,609	95,651,078	30.27
1977 — Elementary	387,609,795	98,470,287	25.40
— Secondary	358,890,693	93,433,840	26.03
1978 — Elementary	398,962,335	94,699,302	23.74
— Secondary	378,637,178	91,809,359	24.25
1979 — Elementary	412,024,510	86,927,485	21.10
— Secondary	402,461,936	91,678,987	22.78
1980 — Elementary	449,172,688	87,292,452	19.43
— Secondary	447,274,203	111,177,596	24.86
1981 — Elementary	479,988,265	84,482,100	17.60
— Secondary	483,518,897	114,487,200	23.68
Metropolitan Separate School Board			
1976	122,096,669	92,211,250	75.52
1977	134,272,515	101,465,291	75.57
1978	156,614,536	114,993,294	73.42

1979	161,594,695	124,306,502	76.92
1980	189,112,219	144,936,268	76.64
1981	231,177,171	167,370,142	72.40

Ottawa Board of Education

1976 — Elementary	36,420,671	7,274,883	19.97
— Secondary	58,515,232	24,699,129	42.21
1977 — Elementary	40,837,702	7,252,723	17.76
— Secondary	62,458,282	26,584,775	42.56
1978 — Elementary	42,163,548	7,651,373	18.15
— Secondary	64,878,523	27,315,771	42.10
1979 — Elementary	44,391,482	7,562,732	17.04
— Secondary	68,564,966	28,165,248	41.08
1980 — Elementary	49,337,926	6,635,085	13.45
— Secondary	74,611,951	28,655,319	38.41
1981 — Elementary	53,222,019	8,248,225	15.50
— Secondary	79,434,153	30,991,069	39.01

HUMANE TRAPPING

\$14,528; 1976-77, \$19,046; 1977-78, \$20,040; 1978-79, \$19,100; 1979-80, \$19,100; 1980-81, \$19,100.

137. Mr. Philip: Would the ministry table the amount spent by the province of Ontario as its share to the Federal-Provincial Committee for Humane Trapping in the years 1974-75, 1975-76, 1976-77, 1977-78, 1978-79, 1979-80, and 1980-81? (June 10, 1981.)

Hon. Mr. Pope: 1974-75, \$11,005; 1975-76,

INTERIM ANSWERS

130 to 135. Mr. Bradley: It is proving to be time-consuming to review the files for this extended period and to provide the requested answers. I will have an answer to these questions by June 25, approximately — Hon. Mr. Walker.

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Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
Bryden, M. H. (Beaches-Woodbine NDP)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. G. (Renfrew North L)
Cureatz, S. L.; Deputy Speaker (Durham East PC)
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No. 62

Legislature of Ontario Debates

Official Report (Hansard)

First Session, Thirty-Second Parliament

Monday, June 29, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 29, 1981

The House met at 2 p.m.

Prayers.

TRIBUTES TO MRS. VERA DAVIS

Hon. Mr. Welch: Mr. Speaker, I am saddened to have to report to members of this Legislature the death of Mrs. Vera Davis, mother of our Premier. Mrs. Davis, as members know, had been seriously ill for the past number of weeks, and death came early this morning. She was in her eighty-ninth year.

I do not need to talk at great length of the close relationship that existed between the Premier and his mother. His frequent references to her, both serious and humorous, give vivid testimony to that fact. She had a profound influence on his life and that of his sisters, and the positive results are there for all to see.

I am sure that all members of this House join me in extending sympathy to the Premier and Kathleen, to Peggy Dale and Molly Endress, and to their families.

Mr. Smith: Mr. Speaker, on behalf of all the members of the official opposition, I just want to add our feelings of very sincere sympathy and our deep condolences to the Premier.

I had occasion to chat with the late Mrs. Davis not very long ago. Despite her illness, I must say she was her usual very distinguished and very gracious self. She contributed a great deal directly, and through her son and family, of course, to the province of Ontario, and we all want to offer our very sincere feelings of sympathy to the Premier on this occasion and to the family of the late Mrs. Davis.

Mr. MacDonald: Mr. Speaker, on behalf of the New Democratic Party, I want to join the Deputy Premier (Mr. Welch) and the Leader of the Opposition (Mr. Smith) in expressing our condolences.

The burden of first minister in any jurisdiction, and perhaps particularly in this jurisdiction, is a heavy enough one without having the added burden of bereavement in the family. It seems to happen so frequently. I recall that in 1964 or 1965 the then Premier, John Robarts, lost his father while the House was in session and while some very heated debates were going on.

I repeat, I want to join with the other spokesmen

in expressing our sense of sadness on this occasion and to join with the Premier in his bereavement.

TRIBUTES TO TERRY FOX

Hon. Mr. Welch: Mr. Speaker, the death of Terry Fox deeply saddened all Canadians. A young man in his prime, a young man with everything to live for, a young man with a profound belief in himself and in life has been lost to his parents, his family and his friends.

Before any of us as Canadians think about the symbolism and the courage inherent in what Terry Fox has given to each and every one of us, let us not forget that before he became a public figure through the strength of his own conviction and will he was someone's son, someone's brother and the friend of many people.

Therefore, our first thought today is obviously of his family and friends, and to them, on behalf of all the members of this Legislature, on behalf of the 8.5 million people whom we have the great privilege to represent, I extend our deepest sympathy and our most heartfelt condolences. The very personal nature of their grief will probably not be made any lighter simply because the Terry they have lost has been lost to all of us as well.

Terry Fox, in his own way, with his own strength and commitment, with his own faith in the human spirit, taught us all more about life and living and humanity than could ever be found in a thousand books of philosophy and hundreds of learned texts.

Terry took on cancer, faced it down, stood up to it and perhaps did so with more real impact on the lives of millions than all of the researchers and scientists who have been working so diligently at some scientific response to this all-pervasive and hateful disease.

What Terry taught us all is very simple and very direct: there are things in the life of each and every one of us that we have no choice but to face. Science may succeed today in limiting the impact of some of those things, but there will always be others that will tax our sense of hope, our belief in ourselves and others and indeed our belief in God.

The issue is not whether there will be challenges

that must be faced or personal calamities of some significant nature; those will always be there for all of us in one way or another. The issue is not whether they will occur, but how we will face them when they do. Terry taught us how to face them. He taught us with every painful step he took along the Trans-Canada Highway. He taught us when he spoke at shopping plazas and street corners about fighting cancer and resolving to beat it before it beats us.

When he entered Ontario at the Quebec-Ontario border he was met with a local community marching band and the Ontario Provincial Police, who escorted him to towns, villages and cities. They were soon outnumbered by the hundreds of thousands of honest and decent people who came to show their support, to contribute to the cause and particularly to show that they cared.

No Canadian, no self-appointed spokesman for any group, certainly no politician, could ever have touched the hearts and minds of the people of this country the way Terry Fox did. And he did it himself. It was simply the honest and uncomplicated faith that one young man had in himself, in his community, in the human spirit, in life.

Millions of dollars have been raised for cancer research because of Terry Fox—millions that otherwise probably would not have been raised at all. I am pleased to announce today on behalf of the Premier (Mr. Davis) that, with the approval of Terry's parents, the last 50 miles of the Trans-Canada Highway between Thunder Bay and Nipigon, which Terry Fox completed, will be renamed the Terry Fox Courage Highway to honour and commemorate the exceptional commitment and spirit of this remarkable young Canadian.

Our province committed \$1 million during the Terry Fox telethon in support of cancer research. We were proud to be part of that great expression of support and commitment. The government has ordered that flags be lowered to half mast on provincial buildings and agencies across the province as a mark of honour and respect for Terry Fox.

Many in this House and countless thousands across the province have been touched by the awesome pain and suffering and loss by cancer. In fact, very few families in Ontario have been spared the ravages of this dreadful disease.

Terry Fox's message to all of us was very simple: if there is no faith, if there is no courage, if there is no belief in oneself or one's future, if

there is no spiritual conviction, there can be no life. In the end, life is very much a matter of courage and humanity, of faith and conviction.

2:10 p.m.

None of us is the arbiter of how long we are going to be on this earth, but each and every one of us can decide how we spend that time and what we do with it. I believe that Terry Fox has, for this generation, given us more insight into the challenge than anyone else I can think of. As individual Canadians and as a nation, I believe we can all stand a little taller because there walked among us for a very short time a young man called Terry Fox.

Mr. Smith: Mr. Speaker, people in all aspects of public and private endeavour want to express themselves on the death of Terry Fox, since that young man has touched the lives of every Canadian and, indeed, probably of people throughout the world, in a way that nobody else has, at least in this generation. He certainly proved that it is not the number of days one spends on this earth that determines the importance, the impact and the quality of life, but how one uses the time that is granted.

Terry Fox set out to prove that cancer could be beaten by the human spirit. He did not succeed in proving that, but he succeeded in proving much more than that. He succeeded in proving that a serious amputation need not make a person any less of a person and that one could aspire to and achieve great achievements, which those who may have all parts of their body could not even dream of achieving. The human spirit can indeed overcome anything in the way of setbacks and physical problems, and that is what Terry Fox proved.

He became a hero for a country that has had too few heroes. Our children read of the occasional exploit in history books—they may know something about Laura Secord, who showed some bravery, as we all remember, and a few other heroes mentioned here and there—but as a nation we simply lack heroes. We are almost too self-effacing, too self-conscious when it comes to talking about heroism. No one asked Terry Fox to do this, there was nothing in it for him at all, yet he was determined to go out and prove a point that has brought dignity and meaning to the lives of every Canadian.

I know he particularly inspired young people. How valuable are those who can reach the hearts of the young. We are so flooded with stimuli on television, we are so inundated with people who are sudden bright lights across the

horizon and then disappear as quickly as they appear, that it is hard to gain the attention of the young, let alone to inspire them. I venture to say that more of the tears that flowed as Terry was fighting for his life and when he eventually died were shed by young people than by any other group, although all of us shed tears, I am sure.

He reached into the hearts of Canadians. To him it was natural that, if one wanted to do something that would be extremely important, one would run from one end of a great nation to the other. It was simply automatic that the great nation was there. To politicians, it is sometimes not so obvious as we haggle about this or that matter which divides us, such as the constitution or how to divide the wealth. But to Terry Fox, Canada existed, Canada would always be there, his achievement would always be there. There was no doubt.

Terry Fox was a great human being, a great Canadian, a hero to our youth and an example to everybody who shall hear of him. I am happy the government is going to name a road after him. I am happy there will be a stamp. I am happy there will be buildings and hospitals named after him. But that will not be what keeps his memory alive. Many names are inscribed on marble pieces over the entrances to public buildings; people rarely know who those names refer to.

Terry Fox will be remembered in the poetry of the nation, in the history books of the nation, in the stories that will be told from one generation to another; that is how he will be remembered and always as a special inspiration to the youth of our country. We owe him more than anybody can put into words, and we certainly mourn with his family and the entire nation on his death.

Mr. MacDonald: Mr. Speaker, I wish to commend the Deputy Premier for his eloquent tribute and join with the Leader of the Opposition in that tribute.

For reasons that are somewhat mystifying, this nation has had very great difficulty in achieving heroes and acknowledging their existence so that they could live in history and touch the lives of the people. It is rather ironic—the Deputy Premier is correct—but I suspect Terry Fox will be remembered far more than any Prime Minister or any political leader in this country, particularly by the younger generation.

Perhaps we should examine his life and what he did. It is said he was a lad who was not

particularly outstanding in school, but clearly in those youthful years manifested a quality and a character that few human beings have achieved.

The Leader of the Opposition referred to the extent to which this has touched the lives of the younger generation. It was not my privilege, which I now regret, to have seen Terry Fox in real life or to have heard him. I shall never forget last year when he was covering that stretch of Highway 11 from the Severn Bridge up to Gravenhurst, and my two daughters who were at the cottage nearby with their children got out on to the road and with hundreds of people followed Terry up the highway and joined with thousands that evening in an outpouring in the arena in Gravenhurst. He was a truly remarkable young man.

I have one personal reaction to a person like Terry Fox. If the battle to cure cancer is as important as the world suggests and which we pay lip-service to, I sometimes am puzzled why we are willing to spend twice as much on a single plane or five times as much on a single grant to an industry for renovation and all these other expenditures, but we penny-pinch, relatively speaking, on something that touches the lives of people as much as a dreaded disease like cancer. I would like to believe, to hope that Terry Fox has shaken us into a more balanced perspective of our priorities and what we are willing to spend our money on.

If a young man could run half way across this nation, and he would have gone the whole way if his physical capacities had held out, then surely we should not only acknowledge the greatness of his achievement but also be willing to do something more than a relative pittance for the objective for which he died. I join the two other spokesmen in this tribute to one who, I suspect, will become one of Canada's great heroes whenever our history is written.

Mr. Speaker: Under the circumstances, it would seem appropriate to me that all members rise and observe a minute's silence as a mark of respect to the late Terry Fox and the late Mrs. Davis.

The Legislature observed a moment's silence.
2:20 p.m.

STATEMENTS BY THE MINISTRY

GREAT LAKES FOREST AGREEMENT

Hon. Mr. McMurtry: Mr. Speaker, last Friday the Leader of the Opposition (Mr. Smith) directed a question to the Minister of Natural Resources (Mr. Pope) with respect to mediation

talks between Great Lakes Forest Products Limited, Reed Paper, Ontario Hydro, the federal government, the government of Ontario and the Islington and Grassy Narrows bands.

In his question to the Minister of Natural Resources, the Leader of the Opposition stated, as reported in the Instant Hansard, that the mediation "had been brought to a standstill over the contention of a government lawyer, Mr. Jacobsen from the Attorney General's office, that future personal injury claims or health claims were not intended to be covered by the government and that the government did not intend the letter given by Frank Miller and the statement that he made in the House to cover lawsuits that might relate to health claims."

In a supplementary question to the Minister of Natural Resources, the Leader of the Opposition told the Legislature that "'Mr. Jacobsen stated that the possibility,' that is, of covering health claims, 'is not contained within the statement of the Honourable Frank Miller and therefore he would have to seek further direction.'"

Neither Mr. Jacobsen nor the Ontario government has ever held that the letter of the Treasurer (Mr. F. S. Miller) of November 6, 1979, excluded health claims. Our position, and the position of Mr. Jacobsen, has always been the exact opposite of what the Leader of the Opposition represented. The question of future personal injury claims has always been understood to be part of the damages referred to in the Treasurer's letter.

It is my information that the parties to the mediation are continuing to attempt to resolve the many outstanding issues. Certainly it is not fair or accurate to say that any delay in the mediation process can be attributed to Mr. Jacobsen or any position he has taken.

It is unfortunate that the Leader of the Opposition would misrepresent the position taken by Mr. Jacobsen and then try to build a wholly unsubstantiated charge of "bringing the mediation to a standstill" on the basis of this misrepresentation.

Mr. Smith: Mr. Speaker, a point of privilege: If the Attorney General is suggesting I have misrepresented something, including the position of Mr. Jacobsen taken in front of the mediation under the mediator, Mr. E. B. Jolliffe, of the Indian Commission of Ontario, he is seriously misinformed by his people.

In point of fact, I have here page four of the minutes, and the quote attributed to me was from the minutes of Mr. Jolliffe. Mr. Jolliffe says, and I will read the paragraph:

"Another matter which was discussed at length was the suggestion by Great Lakes that the government consider idemnifying Great Lakes for future personal injury claims. Mr. Stradiotto"—who is from Great Lakes—"asked that the government consider this request in the light of the interest that all parties have in resolving outstanding matters and the responsibility each has for the communities involved."

Now, here is the operative point: "Mr. Jacobsen stated that the possibility is not contained within the letter or statement of the Honourable Frank Miller and therefore he would have to seek further direction. The other parties did not necessarily agree that the possibility was outside the ambit of the Ontario undertaking."

That is the operative paragraph, and I want to tell the Attorney General that if Mr. Jolliffe has misrepresented Mr. Jacobsen then Mr. Jacobsen should take his complaint to Mr. Jolliffe, but as Leader of the Opposition I have misrepresented nothing at all, and in fact have presented a matter that has delayed the mediation proceedings. Great Lakes is now talking to the government to get a clarification, and the minister should know.

FRENCH-LANGUAGE SERVICES

Hon. Mr. Wells: Mr. Speaker, I take pleasure today in tabling in the Legislature the annual report for 1980 of the government co-ordinator of French-language services. The second public report of the government co-ordinator was given an initial distribution earlier this year by my predecessor as minister responsible for French-language services, the Honourable René Brunelle. I want to share its contents with all the members of this House.

The report shows that almost all ministries are now able to offer French-language services in their regional offices in the designated areas of the province where most Franco-Ontarians live. The report also lists by ministries recent activities that have been undertaken to improve the provision of services in French.

Two new sections have been added to the report this year: a list of all the laws translated and made available by the Ministry of the Attorney General, and a list of the cities where bilingual staff may be found in the regional offices of the government.

I am sure members will agree that this government's commitment to providing an increasing range of French-language services in designated areas of the province is steadily being fulfilled.

JULY CELEBRATIONS

Hon. Mr. Wells: Mr. Speaker, I wish to inform the members of the House about some of the events that will be of interest to them here at Queen's Park and in the province.

The first is that on July 1, the anniversary of Canada's Confederation, we will again be holding a giant picnic here at Queen's Park on the lawns of the Legislative Building and the Whitney Building. The day-long event will bring together thousands of residents of Ontario, and the many cultures they represent will be represented at this gathering. Along with our traditional five-cent hot dogs and 10-cent ice cream, there will be special entertainment that we hope will appeal to people of all ages.

His Honour, the Lieutenant Governor, will be on hand to present the Ontario Medal for Good Citizenship to outstanding Ontario citizens. To mark the International Year of Disabled Persons, Nancy Kralovic, the 1980 Easter Seal Society Tammy, will be assisting the master of ceremonies of the day, Al Waxman.

The Lieutenant Governor will also be taking part in a citizenship ceremony, which will be held in the St. Lawrence Lounge of the MacDonald Block on July 1. One hundred and fifty Ontario residents will receive their Canadian citizenship certificates that day.

I invite all the honourable members to join in these special ceremonies, which will get under way at 10 a.m. this Wednesday at Queen's Park. The official ceremonies will begin at 11:30 a.m. in front of the Legislature, and the citizenship ceremony will begin at 1:30 p.m.

July 1 celebrations, however, are not limited to the provincial capital. Throughout our great province, Ontarians will find a multitude of organized events for all sorts.

For example, there will be a *feu de joie* at Old Fort Henry in Kingston which will mark the first retreat of the season by the Old Fort Henry Guard. In Thunder Bay, residents and visitors alike are invited to the annual great rendezvous pageant celebrating the role of the early voyageurs. In Rainy River, the multicultural festival is taking place, and in Kapuskasing the Kap Rendezvous homecoming is already in progress, as is the International Festival in Cambridge, and the Fun in the Sun Festival which will be happening in Fort Frances. Of course, in our national capital there will be many special celebrations taking place on July 1.

These are only a few of the jubilations, parties, ceremonies, parades, et cetera, that will

be going on all across Ontario on Canada's birthday, July 1. A complete list has been published in the newspaper of every region.

On July 2, Ontario will have the honour of welcoming to this province Her Majesty Queen Elizabeth, the Queen Mother. Her Majesty's visit will last five days, and among other things she will be welcomed in front of the Legislative Buildings at Queen's Park on July 3 at 12:15 p.m.

Here, again, all honourable members are invited to attend this important public ceremony.

Mr. T. P. Reid: We will be here anyway.

Hon. Mr. Wells: That is right.

Also on July 3, Her Majesty will be visiting the Women's College Hospital, and on July 4 she will be attending the one hundred and twenty-second running of the Queen's Plate at Woodbine Racetrack.

Her Majesty, who visited Ontario last in 1979, has graciously accepted an invitation to take part in the celebrations of the bicentennial of Niagara-on-the-Lake. She will be spending the day there on July 5 taking part in welcoming ceremonies at the court house, attending a lunch given by the town, and watching a performance at Fort George.

On July 6, to mark the International Year of Disabled Persons, she will be visiting the Ontario Crippled Children's Centre. Also on that day, she will be attending a dinner given in her honour by the Premier of this province.

2:30 p.m.

The Queen Mother is 80 years young and still incredibly full of energy and vitality. I am sure I speak for all, particularly in this House, in saying that we look forward to her visit and await her arrival with great anticipation.

Following the visit of Her Majesty, we also will be honoured with a visit to Ontario by Her Royal Highness, the Princess Margaret, Countess of Snowdon and her daughter, Lady Sarah Armstrong-Jones. Her Royal Highness will be attending the fiftieth anniversary performance of the Royal Ballet and undertaking official engagements here in Toronto, Timmins, Cambridge and Muskoka.

ORAL QUESTIONS

Mr. Smith: According to the standing orders, Mr. Speaker, may I ask the permission of the Deputy Premier to direct a question to the member for Mississauga North (Mr. Jones), the parliamentary assistant to the Treasurer (Mr. F. S. Miller), on the subject of the recent finance

ministers' conference in western Canada? Will the Deputy Premier give me permission to direct a question to the parliamentary assistant in the absence of the Treasurer?

Hon. Mr. Welch: Mr. Speaker, the Treasurer will be here tomorrow and, under the circumstances, since the parliamentary assistant was not in attendance at the meetings, I think the questions would be best directed to the Treasurer himself tomorrow; or, if the leader of the official opposition wishes to place the questions on the record today, I will be glad to receive them.

Mr. Smith: So I am denied permission to direct a question to the parliamentary assistant to the Treasurer? What is he doing to collect his money?

Interjections.

Mr. Speaker: Question, Mr. Smith.

Mr. Smith: Parliamentary assistants are very good at reassessing farm land; so one would think they would be good at answering questions on their ministries.

Mr. Rotenberg: Stop your nonsense. It is just a lot of nonsense.

Mr. Smith: When the member for Wilson Heights (Mr. Rotenberg) was parliamentary assistant to the Treasurer, he used to be able to answer questions. I remember that.

Mr. Speaker: Order. Please proceed with your question.

Mr. Rotenberg: On a point of privilege, Mr. Speaker: I just want to point out to the Leader of the Opposition that I was never parliamentary assistant to the Treasurer.

Mr. Speaker: Order. Mr. Smith, will you please proceed.

Mr. Smith: Well, I would have made him parliamentary assistant if I had had the opportunity.

EQUALIZATION PAYMENTS

Mr. Smith: Mr. Speaker, I will ask the protector of parliamentary assistants if he will kindly answer the question.

The Deputy Premier may have noted that the Treasurer of Ontario was recently outvoted by the usual nine-to-one vote in western Canada, when he presented Ontario's equalization proposal in Vancouver or Victoria—I do not remember which. Will the Deputy Premier please clarify for us the position proposed by the Treasurer that was outvoted and specifically answer one question?

Was the position taken by the Treasurer such that it indicated a willingness on the part of the government of Ontario to accept equalization or other similar payments if resource revenues would be allowed to enter more fully into the formula? Did the Treasurer present a proposal that would have permitted Ontario, and shown a willingness on the part of Ontario, to accept payments of some kind based on the new formula?

Hon. Mr. Welch: Mr. Speaker, I am somewhat in the same position as the parliamentary assistant to the Treasurer. I was not in attendance at the meetings although, I must admit, along with the Leader of the Opposition and others in this House, I have had the opportunity to read the press accounts of the meetings to which the the Leader of the Opposition makes reference.

Under the circumstances, I think it would be wise if the Leader of the Opposition awaited the arrival of the Treasurer tomorrow and put these specific questions to him so we would all have the advantage of hearing directly from the Treasurer himself what did transpire.

Mr. Smith: The Deputy Premier has just proved the main reason I wanted the member for Mississauga North to answer the question in the first place, namely, that he as parliamentary assistant must surely have known what particular proposal the Treasurer took with him to British Columbia, and the Deputy Premier now is admitting that he refused to permit the question to go to the parliamentary assistant and then stood to announce that he did not know what proposal was taken to British Columbia in the first place.

Knowing the topic upon which my question was based and knowing that the parliamentary assistant would have more knowledge of the matter and would know the proposal, will the Deputy Premier please explain why he would force me to ask him the question, knowing he could not provide an answer, rather than let me have an answer from somebody who might have known what was going on?

Hon. Mr. Welch: I think it is obvious that the Leader of the Opposition does not really understand all the many responsibilities that are assigned to parliamentary assistants. Under the circumstances, with all the details and with all the assignments which that parliamentary assistant would have, I would assume it would not be likely that he could provide that information.

Also, so that the record is quite clear, the

Leader of the Opposition knows the rules on this particular subject. We are not talking about a very long time. If the Leader of the Opposition really wants to have a direct, factual and complete answer, he will have that opportunity by directing that question, which we will have brought to his attention now that it is on the record, to the Treasurer himself, when he himself arrives here in his place tomorrow.

Mr. Smith: Mr. Speaker, I ask that you seriously look at this matter of how these parliamentary assistants are to be used, because here is a case where the Deputy Premier did not know the answer, and I told him what the question was going to be.

Mr. Speaker: Question, Mr. Smith.

Interjection.

Mr. Smith: The minister for York North is not on the phone today to his developer friends.

Interjections.

Mr. Smith: Is that Lorne Henderson north talking again?

MINAKI LODGE

Mr. Smith: Mr. Speaker, I direct a question to the Minister of Industry and Tourism. Can it be that the continuing sagas relating to Minaki Lodge go on and on and on? Is it a fact that the addition to the original Minaki, which cost \$13 million and which did not provide any bedrooms, and then Minaki revisited, which cost another \$10 million to \$13 million to provide the bedrooms, now has been followed by the latest in the series, road to Minaki, and that some \$13 million has been assigned to build a road to that white elephant?

Can it truly be that another \$13 million of waste and extravagance is being spent to build a road through to that white elephant of a lodge of the government? Did the Minister of Industry and Tourism ask for construction of this new road?

Hon. Mr. Grossman: Mr. Speaker, may I respond to the Minaki of all Liberal leaders of Ontario, being the current one, by saying that in his late-June, post-Kingston ugly mood this afternoon he has exhibited such expertise in parliamentary procedure on who questions should be addressed to that he, in his own inimitable style, has neglected to check and see who is responsible for the construction of Minaki.

Mr. Smith: Did you ask for the construction of the road? That is what I asked you.

Mr. Speaker: Order.

Hon. Mr. Grossman: The Leader of the Opposition should not try to bail himself out of this mistake. Had he done some homework instead of—

Mr. Smith: I know damned well who is responsible for Minaki. I want to know if you requested the road.

Mr. Speaker: Order.

Hon. Mr. Grossman: Easy, easy. The Leader of the Opposition cannot see the daggers behind his back. He should just take it easy.

Mr. Speaker: Address yourself to the question, please.

Hon. Mr. Grossman: If the Leader of the Opposition will just take a moment, when he gets his act together, he could ask the Minister of Northern Affairs (Mr. Bernier)—

Mr. Smith: Did you ask for the road? Did you ask for the road? Yes or no?

Hon. Miss Stephenson: Shut up!

Mr. Speaker: Order.

Hon. Mr. Grossman: Mr. Speaker, please. It may be his plan to get thrown out again today. So let us give him some space and time.

I say to the current Leader of the Opposition, if he will ask the minister responsible or perhaps the minister's parliamentary assistant, if he wishes, he may get the answer, because he is the person responsible.

Mr. Smith: Did you ask for the road? Did you or didn't you?

Mr. Speaker: Order. A supplementary, Mr. Smith.

2:40 p.m.

Mr. Smith: By way of supplementary, I will again ask the Minister of Industry and Tourism to stop weaseling on this matter, to stand up and have the courage to say whether in fact he asked for that road to be built. I know damned well it is the Ministry of Transportation and Communications that builds the roads, but did the Minister of Industry and Tourism—

Hon. Miss Stephenson: Are you really going to run for the leadership again?

Mr. Speaker: Order.

Mr. Smith: Let the Minister of Industry and Tourism screw up his courage—most of his thoughts are in that state—and answer the question: Did he request of the Minister of Transportation and Communications (Mr. Snow) that \$13 million be spent on a road to this white elephant, which will lose us millions of dollars a year in interest payments alone in perpetuity?

And are there any other expenditures on this white elephant at Minaki that the minister has so far not mentioned to us in his previous statements on Minaki Lodge?

Hon. Mr. Grossman: I want the Leader of the Opposition to listen carefully this time, unlike the Kingston experiment. He did not hear the delegates; he did not hear his caucus. I want him to listen to this answer.

He asked two questions, and the answers, as the delegates told him, are no and no.

Interjections.

Mr. Speaker: Order.

Mr. Wildman: Supplementary, Mr. Speaker: Can the minister indicate to the House what is the total amount of money the government has committed, not only for the resort itself but also for the infrastructure? Can he indicate also when he expects the resort to be in full operation and what return, if any, the government will receive from the contract agreement it has for the operation of the Minaki Lodge?

Interjections.

Mr. Speaker: Order. Proceed, Mr. Minister.

Mr. Piché: The people of the north wanted the road.

Hon. Mr. Grossman: Minaki will always win us more northern seats than the Leader of the Opposition can win for his party in the north.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: Mr. Speaker, I say to the member for Algoma that the Ministry of Industry and Tourism was charged with one task, and that was finding an operator for Minaki Lodge. Subsequent to that, the project was turned over to the Ministry of Northern Affairs, with some input from us. Northern Affairs is the lead ministry on the project to move from the current state to the construction and opening. So the member will have to address that question to my colleague.

Mr. Smith: Will the Minister of Industry and Tourism assure us that this latest \$13 million, which brings the total up to about \$37 million plus interest that will go on forever, at least will be the last we are going to hear of waste and extravagance on Minaki Lodge, or does he have something else in mind as well that we have not heard of?

Does it seem sensible to the minister, did he make it part of the project? When he thought of building Minaki Lodge and throwing another \$13 million after the \$10 million they had

already lost, did he really believe it was necessary to spend \$13 million upgrading a road that has no other purpose except to get people to that lodge? Did the minister think it was going to be necessary to spend that money when he stood up here to tell us about Minaki Lodge? And if he thought it was going to be necessary, why did he not have the guts to talk about it then?

Hon. Mr. Grossman: If the Leader of the Opposition had been paying attention when this was last discussed, or if he had dropped into the public accounts committee—I know the days have long past when he would do that—he would remember that my colleague felt it was necessary to improve that road whether Minaki Lodge opened or not.

Mr. Smith: Thirteen million dollars for 30 miles of road?

Hon. Mr. Grossman: I know the member thinks those expenditures are only warranted in southern Ontario, but my colleague—

Mr. Speaker: Address yourself to the question, please.

Mr. Smith: It is not warranted for 80 jobs, that's for sure.

Hon. Mr. Grossman: The member does not think it was warranted for 80 jobs. On this side of the House, we think 80 jobs in Minaki are damned important.

Mr. Smith: Which brings the cost to \$37 million.

Mr. Speaker: Order.

Hon. Mr. Grossman: As the Leader of the Opposition can tell from his outstanding representation in the north, they know what he says up there.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: The member is going to make Stephen Lewis look popular in Minaki.

Mr. Speaker: Order. Will the minister please address himself to the question?

Hon. Mr. Grossman: When the Leader of the Opposition stopped quivering from rage, I think he asked whether there were any more expenditures and what we were going to do about them.

Mr. Smith: Damned right it makes me angry. I can think of places where that \$37 million could help a lot of people. Minaki isn't part of the Bob Hope series; it ain't funny.

Hon. Mr. Grossman: No doubt the member

could think of places to spend that money, and he will promise that money in whatever places he goes to in the province.

Let me say that my colleague the Minister of Northern Affairs is responsible for overseeing the construction of that project. He indicated at the time that the road was going to be reconstructed in any event.

Mr. Breithaupt: That is the road to nowhere.

Hon. Mr. Grossman: I know the member has travelled that road many times; so he is an expert on it. The road he has travelled many times is the road to nowhere; this is the road to Minaki and if he had ever been there he would know.

If there are any overruns, I suggest to the Leader of the Opposition that one place this ministry may look for assistance is to the federal government, because the federal member for that area, a fellow named Reid, was there every time my colleague stood up and talked about Minaki. As I recall it, this fellow named Reid, a former Liberal federal cabinet minister, even promised some Department of Regional Economic Expansion assistance for the Minaki project.

I want to give the member for Rainy River (Mr. T. P. Reid) a chance to rise on a point of personal privilege if I am wrong. I have never known a Reid, let alone a federal Liberal, to break a promise; so if there is any overrun, I am sure Mr. Reid, who made that promise just before the federal election of 1979, will fulfil the promise.

Mr. T. P. Reid: On a point of privilege, Mr. Speaker: I take no responsibility for the actions of my brother, and neither does he take any for mine.

MUSHROOM FACTORY WORKERS

Mr. MacDonald: I have a question of the Minister of Labour.

The minister will remember that last year, in a decision of the Ontario Labour Relations Board when the United Food and Commercial Workers sought certification of a collective bargaining unit for the Wellington Mushroom Farm, a division of Campbell's Soup Company Limited, the board felt it had no alternative but to deny that certification because of the exclusion of so-called agricultural workers from the Labour Relations Act. However, in its judgement it made these comments:

"We accept the applicant's contention there is no industrial relations basis for denying the

respondent's employees the right to bargain collectively, nor can we discern any tangible prejudice to the respondent if the employees in the mushroom factory were entitled to the same statutory rights as their fellow employees in its soup factory." The board concluded: "There is a compelling argument for a review of the legislation in so far as it excludes individuals in situations similar to that of the respondent's employees."

The minister will recall that in answer to a question from my colleague the member for Hamilton East (Mr. Mackenzie) last November, he indicated he was reviewing this legislation. Now that we have a report in the *Globe and Mail* on June 20 that a number of multinationals, such as Labatt's and Campbell's Soup, are moving into the development of factories for the production of mushrooms, whose volume now ranks third largest among vegetables produced in this province, will the minister indicate what has come of his review? Is he going to continue this gross anachronism of excluding factory workers in mushroom factories, soup factories and so on from the basic civil right of collective bargaining?

Hon. Mr. Elgie: Mr. Speaker, with regard to the Ontario Labour Relations Board decision of last fall, the member knows quite well that the job of the board is to adjudicate, not to set policy. So he can quote all he wants from obiter remarks made by the board; they are very interesting, but they do not in any way suggest what government policy is or should be, other than in that individual's opinion.

2:50 p.m.

Two or three weeks ago, in response to a similar question, I outlined in great detail what this government's position was with regard to farming operations. The member knows very well that one of his party's own members has clearly recognized that the government's position about farming operations is a legitimate one. He is asking now whether there are changes in some aspects of farming that deserve review.

At that time I said those matters would be reviewed. I make it very clear I am not giving any commitment whatsoever as to whether the government will change its position in that area, but we are prepared to look at it.

Mr. MacDonald: I concede it is the job of the Ontario Labour Relations Board to adjudicate the policy as it exists. But it is the job of the minister to bring the policy into the twentieth

century. This minister has indicated he has reviewed it, but what is he going to do about industrial-based agriculture, about the great advance of technology in the agricultural field?

I refer specifically, for example, to Weston's, which supplies Loblaws. They developed their factories and greenhouses up in the industrial park in Bruce. Are those going to be considered agricultural workers and denied the right of collective bargaining in the fashion he has denied it to the mushroom factories?

Hon. Mr. Elgie: I can only reiterate that the government's position with regard to farming operations has been very clearly spelled out. The member's party itself agreed with the government's position. If there are areas of farming, in particular agribusiness, that should be reviewed, we are prepared to review them. But I am not giving any commitment that there will be any change in our policy.

Mr. Mackenzie: Mr. Speaker, I could take issue with the provocative statements of the Minister of Labour, but I will not. In November 1980, however, in response to a question I asked on this matter—unless my memory serves me totally wrong—he did say he would review it. Was that just some more of the sympathy, or is the minister going to look at what is obviously an injustice in the legislation in terms of factory workers in a farm situation?

Hon. Mr. Elgie: Mr. Speaker, I could reiterate exactly what I have said before. I think I have answered the member's question in the past.

Mr. MacDonald: This party does not agree with the government's statement on industrial workers in the agricultural field; that is nonsense.

PULP AND PAPER MILL LAYOFFS

Mr. MacDonald: Mr. Speaker, I have a question for the Minister of Industry and Tourism.

The minister will recall, when employment development fund grants were negotiated and allocated to the paper mills, it was indicated they were for the purpose of stabilizing employment and protecting jobs. Will the minister explain why there is going to be a total of 900 layoffs in the paper companies in the immediate future, including 300 in the Ontario Paper Company at Thorold? Did the company negotiate in those agreements what the union had sought, that if there are going to be any staff reductions they would be dealt with by attrition

and not by layoffs? If the minister did not negotiate that kind of approach in the agreement, why not?

Hon. Mr. Grossman: Mr. Speaker, in all but two or three of the situations all the job redundancies that developed as a result of modernization were able to be handled by way of attrition. That was as a result of extensive negotiations with ourselves and the pulp and paper companies, as well as the Ministry of Labour and the Ministry of Natural Resources where appropriate, and the unions involved.

In the case of Ontario Paper Company, the attrition level was 169 out of 332. As a matter of fact, those figures were gone over most recently with the union. My understanding is that Ontario Paper and the union now have agreed on a manpower plan and program to accommodate the 163 workers who will need to find new employment.

Mr. MacDonald: Since the paper mills have indicated they are going to lay off 900 workers—forget for a moment the Ontario Paper Company—are they going to be laid off or are they going to be absorbed in an attrition policy so that the government fulfils its promise of stabilizing the employment situation? Did the government specifically negotiate that across the board? I repeat: if not, why not?

Hon. Mr. Grossman: I am sorry; I thought we were fairly clear about this. In each instance there were manpower impacts. In each instance the companies were required to inform us as to how they proposed to look after the manpower impacts. There were extensive negotiations on these matters and the manpower impact, and the undertakings flowing from them, were included in the agreement ultimately signed.

The 900 figure the honourable member has is not a layoff figure. I think that is fairly clear, particularly in the information I tabled some time last week in response to a question on the Order Paper. The 932 figure is the number of redundancies that will occur as a result of the modernization program. Of those 932, fully 666 will be looked after by attrition. There will be no layoffs for 666, or two thirds of the 932. That leaves a balance of 266. The 266 are involved in three of the eight or nine companies, and in each of those cases the unions, the government and the companies have come together to develop manpower adjustment programs to look after those 266.

To clarify: Attrition looks after two thirds of them, layoffs and job losses involve 266; and that is over a five-year period.

Mr. T. P. Reid: Supplementary, Mr. Speaker: Has the minister discussed with his colleague the Minister of Labour (Mr. Elgie) whether the new legislation in regard to severance pay and layoffs will apply to people who find themselves in this position, particularly the people at the Boise Cascade mill in Kenora and other places? While the minister says there is attrition there is certainly a loss of jobs, and people may take what might euphemistically be called early retirement rather than go by attrition. Is this new legislation going to apply?

Hon. Mr. Grossman: Mr. Speaker, if there is a full plant closure—which there will not be—or a partial plant closure that occurs after the date the act comes into force, under the definition of the new act there is no reason why it would not apply to those persons as well.

Mr. Swart: Supplementary, Mr. Speaker: Does the minister not realize that far from there being any agreement or plan worked out by the union and the company with regard to layoffs other than by attrition, the union is mounting a campaign to ensure there are no layoffs other than by attrition? Will the minister contact the union to find out how wrong he is in this regard?

Does the minister not think that, when this government gave something like \$125 million to the paper companies across this province, he had an obligation to ensure, one, that no jobs were lost, and two, that if there were going to be some reduction in the number of jobs, none of the employees currently working there would be discharged when this kind of money was going to the company?

Hon. Mr. Grossman: Mr. Speaker, let me start with the honourable member's first suggestion. My staff is in constant contact with the company and the union. The member did not mention the company, but in the case of Ontario Paper—

Mr. Swart: I know you are in contact with the company.

Hon. Mr. Grossman: That is totally unfair. We are in contact with the union as well. Our understanding is that while both the union and the company want to avoid any layoffs—and that is a goal the company, the government and the union have—none the less, at present it appears there will be some layoffs.

It is also inaccurate for the member to suggest the union has not been consulted.

Mr. Swart: There is no agreement. They object to it.

Hon. Mr. Grossman: Let me finish. It is our understanding the union has agreed to a scheme whereby any employees displaced will participate in a program to enable them to get other employment. It is a fact the union has been part of the discussions and negotiations from a long way back, long before the employment development fund contract was signed. The member knows that well. The union knew the job impact the EDF grant would bring. The member knew that, and the union knew that.

The member also knows that, whether they officially said it or not, all the employees in the plant knew that unless something were done in the plant to make it an economic operation the owners likely would opt for a greenfield operation in the United States.

3 p.m.

I think the member also knows that for a plant to become more productive and competitive, almost by definition it means that new equipment comes in that lowers the cost of production and increases the efficiency. By its very nature, if one is to increase productivity, one will have some manpower impact in that industry. That is precisely the problem the entire industry faces, and that is why most of the unions involved and most of the employees involved understood there was likely to be some contraction to permit some increase in productivity. That is what occurred.

I know the members opposite want to raise the spectre that the union is at war with the company or that it did not understand the job impact. The member was there when the contract was signed; I was there; the Deputy Premier was there; the member for St. Catharines (Mr. Bradley) was there. None of these figures are new. They were all available at the time. This government has always been careful to spell out the manpower impacts when announcing grants.

The member was there at the time. There is nothing new about any of this. He saw the union there and he saw most of the workers delighted to know the plant would remain world-competitive at the time. Most of the people in Thorold, the member perhaps excepted, appreciate the support of this government in making sure that many of those jobs will remain in place.

CLASS SIZES

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Education. In a newspaper report on Saturday, May 30, the Minister of

Education was quoted as saying: "It makes no difference whether there are 50 or 15 students in a class, so long as a teacher is qualified. There is no evidence smaller classes create better education."

Upon being briefed on—or perhaps even reading, because she is very thorough in her job—the Smith-Glass study on class size, and after receiving a reaction to her statement from a variety of sources, does the minister still hold this view, and if she does, how has she come to this conclusion?

Hon. Miss Stephenson: Mr. Speaker, the quotation which the honourable member is using is a direct quotation which appears, I gather, in this month's broadsheet from the Ontario Public School Men Teachers' Federation and is a direct quotation from the Canadian Press, which had a representative present at a meeting in which I was asked a question regarding class size.

If the honourable member will simply read the reports of the standing committee on social development examining the estimates of the Ministry of Education, he will find a rather lengthy discourse on this subject. That might reduce the time necessary in the House to respond to this question.

What I said at that time was that there has been a fair amount of research done related to class size—

Mr. Smith: Did you say 15 or 50?

Hon. Miss Stephenson: Yes, I did. The research has not yet proved to be particularly directed firmly towards finding that class size makes considerable difference. There has been excellent research carried out by the National Educational Research Foundation in Britain which demonstrates precisely the opposite to what the Glass study decided was appropriate.

The most important critique of the Smith-Glass study was carried out by Dr. Clare Burstall, who pointed out very clearly and lucidly something that seems to have escaped most researchers, that the one absolutely essential ingredient in deciding upon the quality of an educational program for children and a learning experience for children, and which is not examined in most of the research related to class size and learning experience, is the quality of the teacher.

This is an item that absolutely must be examined if one is to make any rational judgement about the relationship of class size—if

there is one—to the quality of the educational program delivered to the children and the quality of their educational experience.

Mr. Bradley: In view of the teacher-board negotiations going on across the province, and in view of the dispute in Leeds-Grenville, where I believe one of the paramount issues is class size, does the minister feel that remarks of this kind on her part have a detrimental effect on negotiations in the field of education across the province, or does she feel they have a constructive effect on these negotiations?

Hon. Miss Stephenson: I do not know where the honourable member for St. Catharines has been for the last month, but that question was asked of me three weeks ago by the member for Oakwood (Mr. Grande) and I responded to it in the House. If the member for St. Catharines would keep his ears open instead of his mouth, he might just hear something.

Mr. Martel: Supplementary, Mr. Speaker: As a former classroom teacher, does the minister really believe the gobbledegook she is reading in some of these reports implying it is just a matter of the quality of the teacher, that 15 or 50 pupils do not make a hell of a lot of difference? Is it not a known fact that teachers are able to give both ends of the spectrum, the children with learning disabilities and those who are extremely bright, more time in a smaller classroom, thus giving the whole class the type of assistance they need, which they certainly cannot do with a class of 50 or 40 or 35?

Hon. Miss Stephenson: Mr. Speaker, in spite of the vested interest of the honourable member, I should like to respond that there is a very interesting study that has been carried out by classroom teachers, who were observing other classroom teachers, in which there was a dramatic reduction in the number of students within a classroom. All they looked at was the so-called quality of educational program delivered and the time expended by the teacher with each student. When the student population was halved, there was no increase in time provided by the teacher to the individual student.

Mr. Martel: Nonsense; total bunk.

Hon. Miss Stephenson: It is not nonsense. It was reported in a statistically, scientifically valid research paper.

HYDRO CONTRACTS

Mr. Renwick: Mr. Speaker, in the unavoidable absence of the Premier (Mr. Davis), I would ask the Deputy Premier if he would refer

to the question I put to the Premier on May 8 and again on May 25 as to when I could have the unexpurgated report of Mr. Justice Campbell Grant with respect to the Hydro contracts for the Madawaska dam at Arnprior and with respect to the tunnel at the Bruce generating plant. The minister will recall that the dredging trials are all completed, and that the Premier had undertaken to make that report available at the earliest possible moment. Could I have that report before this session of the Legislature recesses tomorrow, or whenever it should recess for the summer vacation?

Hon. Mr. Welch: Mr. Speaker, I will be glad to look into that matter. I am advised by the Attorney General (Mr. McMurtry) there have been some appeals that have led to new trials with respect to parties involved in these matters. However, I think the simplest answer would be to say we will look into it and report back to the honourable member.

Mr. Renwick: I take it there will be a definitive report on the question by either the Deputy Premier or by the Attorney General, in the one case as to whether the report will be made available as requested, or if it is not going to be made available, giving specific details of the reasons why it will not be made available at this time.

Hon. Mr. Welch: We will look into that and report back tomorrow.

Mr. Smith: Supplementary, Mr. Speaker: Since the Premier last time, in answering a question from the member for Riverdale, said he would have to consult with the Attorney General before releasing the report of Mr. Grant, who was not a judge when he undertook the investigation, as we know, would the Deputy Premier be able to say whether such consultation with the Attorney General has taken place?

Hon. Mr. Welch: Mr. Speaker, I am sure we can include reference to all these matters when we report tomorrow.

FOREST CLEAR-CUTTING

Mr. T. P. Reid: Mr. Speaker, I have a question for the Minister of Natural Resources in regard to forestry policy in the province. Is the minister going to get hold of his ministry and do something about forest policy in regard to clear-cutting of the province's forest to restrict clear-cuts to 320 acres, as recommended by his own officials? Is he going to do something about companies cutting right down to the shoreline? Is he going to do something about all the timber

roads that are laying waste all the province's resources of fish and game and allowing those resources to be used up because they are so accessible to residents and nonresidents alike?

3:10 p.m.

Hon. Mr. Pope: Mr. Speaker, I do have a handle on my ministry. The member's statements that—

Mr. Roy: Don't be so cocky. Just answer the question. You are still wet behind the ears.

Hon. Mr. Pope: You would be wise to stay around for a while and learn something about what is going on around here, big mouth.

Mr. Speaker, the lumber companies are not laying waste the fish and wildlife resources of this province. In fact, over the past six months the Ministry of Natural Resources has been working very hard with pulp and paper companies and lumber companies to establish clear policies under the forest management agreement arrangements that allow both fish and wildlife habitats to be protected in a very organized fashion. There has been input with respect to these discussions from a wide variety of sources and the information has been used by the ministry. It is a very open and public process and is not indicative at all of the fact that the pulp and paper companies or the lumber companies are laying waste the resources of this province.

Mr. T. P. Reid: Has the minister, since he has a handle on his ministry, directed his officials to tell the pulp and paper companies to restrict their clear-cutting activities to 320 acres or is he still allowing these companies—I might add under the forest management agreements they are covering at the most only 40 per cent of the forests in northern Ontario—has he restricted them to cutting 320 acres in the clear-cut manner? Has he restricted them on allowing their forestry roads to run through to every lake and river in northern Ontario? Has he done that? Has he given direction or is he just having the usual polite conversations with these companies as his predecessors have done in the past? Or is he going to allow the policy of laying waste a desert in northern Ontario as his predecessors did?

Mr. Smith: That is right.

Hon. Mr. Pope: The Leader of the Opposition has never been up there to even see it, so never mind saying that is right. He would not know what is going on in northern Ontario if his life depended on it.

If the honourable member, instead of

grandstanding, would look at the forest management agreements and the annual cutting plans, he would know the answer to his question.

Mr. Wildman: Supplementary, Mr. Speaker: Will the minister confirm that some clear-cuts are up to 1,200 acres, rather than the 320 recommended by his own ministry? Will he also admit that his own ministry's moose council has indicated it has not had enough input into the formation of the forest management agreements? He does not even know what the moose council is. The moose council, for heaven's sake, made a report that it does not have enough input into the formation of forest management agreements. Has it now been given the input it requires, and are there clear-cuts up to 1,200 acres?

Hon. Mr. Pope: Mr. Speaker, I will repeat what I said. If the honourable member, instead of grandstanding, would look at the forest management agreements and the plans under them, he would get his question answered.

WELFARE PAYMENTS

Mr. Cooke: Mr. Speaker, I have a question to the Minister of Community and Social Services. The question relates to the welfare rates now permitted in Ontario and, in particular, to a report that will be going tonight to the Windsor city council pointing out that in 1979 the cost of welfare in the city of Windsor was \$3.3 million; in 1980, it had risen to \$4.5 million; in 1981, because of poor planning and the lack of legislation to protect jobs in this province, the cost is going to go to \$8.5 million; and the number of people on welfare in Windsor is 6,349.

Is the minister aware of the crisis that now exists and the fact that over 50 per cent of the people on welfare in Windsor do not have enough money to pay their rent, and because this province does not participate in the rent supplement program—the cost-sharing is 50-50 with the feds—we cannot afford to put that program in place in Windsor? Is he willing to participate, change his policy to cost-sharing with the shelter program and review his welfare rates and bring them up so that people do not have to live in poverty in this province?

Hon. Mr. Drea: Mr. Speaker, I am now looking at a number of options with respect to social assistance, not only general welfare assistance but other matters. I am certainly aware, and I have been aware as a minister in

other portfolios, of very special considerations around Windsor. I would dispute very substantially that it is the province's fault that the automobile industry is laying off.

But while the honourable member has confined himself to those who are able-bodied and unemployed I hope he understands that I also have to take a look, in terms of social assistance rates, at those who are truly in the most need, the disabled and so forth, who have very little opportunity ever to have control of their economic destiny. But I would certainly look into whatever Windsor says.

Mr. Cooke: That is a pretty silly answer, to say he is going to look after people. Is he telling me that people who are employable in Windsor have an opportunity to find a job when there is 20 per cent unemployment? Is the minister telling me that because they cannot work—

Mr. Speaker: Question, Mr. Cooke.

Mr. Cooke: —they should live in poverty because they cannot find a job? I would like to ask the minister if and when he is going to review the cost-sharing agreement and participate 50-30-20, as it is with other parts of the welfare program, so that a shelter allowance or the supplement can be provided? Secondly, when is the minister going to bring in proper adjustments to welfare so that those who are on welfare do not have to live in poverty and not eat properly or feed their children properly?

Hon. Mr. Drea: Probably, Mr. Speaker, when I hear the end of Marxist claptrap like that.

Mr. Wrye: Supplementary, Mr. Speaker: Will the minister, who was just given two very detailed and intelligent answers to the crisis that faces my city, promise to look immediately into some urgent assistance for a city that is paying 150 per cent more for welfare costs this year than it did two years ago? Will he look into giving some assistance to a city that, in terms of these extra rental supplements, will be forced to pay \$327,000 on top of the \$8.5 million which is already owing and which it is going to have to pay to welfare recipients this year?

Hon. Mr. Drea: Mr. Speaker, I thought I made it very plain in my original answer that we are looking at—

Mr. Cooke: You don't give a damn—that is your problem.

Mr. Speaker: Order.

Hon. Mr. Drea: Mr. Speaker, I do not really think I have to stand here today and take a diatribe from some junior edition over there

who is trying to get his name in the paper so he can go free to his own convention in February, particularly when it is very sudden and it is almost the end of the Legislature before that same junior addition of whatever it is has any concern about what is going on in Windsor.

In reply to the honourable member who asked the supplementary, I thought I had made it quite plain in the answer to the original question, although he may have lost it in the diatribe that followed, that we are taking a look at a number of options, and I am particularly concerned about the areas in the province which have somewhat indigenous high unemployment.

WATER AND SEWAGE PROJECTS

Mr. Mancini: Mr. Speaker, I have a question for the Minister of the Environment. I would like to know if the Minister of the Environment is still negotiating with the federal government—

Interjections.

Mr. Speaker: Order. Will the honourable members please give the opposition parties a chance to ask their questions?

Mr. Mancini: I would like to know if the Minister of the Environment is still negotiating with the federal minister concerning the federal government's withdrawal from the community services contribution program, and if he is negotiating, could the minister inform the House what the status of these negotiations is at the present time?

Hon. Mr. Norton: Mr. Speaker, there has been ongoing communication between the provincial and federal governments on the matter of funding for essential sewage and water projects. As a matter of fact, at this moment I still have a meeting scheduled for tomorrow in Ottawa with Mr. John Roberts, the federal Minister of the Environment. However, with the way the winding up of the session is dragging on, it would now appear I will probably have to cancel that meeting, as I had to cancel the meeting today with Commissioner Flacke in New York.

3:20 p.m.

I had intended that one of the items I would discuss with Mr. Roberts would be the matter of funding, particularly to assist with sewage projects because of the federal government's commitment under the international agreements relating to water quality in the Great Lakes. Those discussions are still going on. I under-

stand there is some possibility of federal action, but we have not had any formal indication the federal cabinet has approved it yet.

Mr. Mancini: How long is the minister willing to wait for further word from the federal government, since it has been at least six months, if not more, since it has withdrawn funds from this project? Could the minister inform the House how small communities like the township of Anderdon and the village of Wheatley are supposed to proceed with their sewage works projects when they have had anywhere from \$1 million to \$2 million withdrawn from the total moneys allotted to those projects? How are these small communities in my riding and all across Ontario supposed to plan effectively when, after seven months of the ministry and the federal government negotiating, they have failed to come up with a plan to take the place of the original plan?

Hon. Mr. Norton: There are a number of questions there. I would suggest initially in response to the latter part of the member's series of questions that it would be with some difficulty. I realize that because I am hearing from small municipalities daily about the difficulties they are facing.

How long am I willing to wait? I had hoped it might be necessary to wait only until tomorrow but it would appear, given the priorities in this House at the moment, I will be unable to keep that commitment to meet with Mr. Roberts. The member might advise his constituents that the way in which the House is winding up, or down, at this time is a relevant consideration in terms of my being free to carry on those discussions on a face-to-face basis.

We do have alternatives in mind, but they will require a substantial restriction on the program if we are going to go ahead at any higher level of funding. I do not wish to embark upon that until I am absolutely sure the federal government is going to neglect its responsibility under the agreements for the protection of water quality in the Great Lakes.

I have not given up hope on that, but at the same time I am not given to pretending I can perform the miracle of the loaves and the fishes with an allocation of money which at the time was perceived to be generous when applied in conjunction with the federal contribution. When the federal government backs away from its commitment and leaves us holding the bag, with a more limited overall amount of money, I cannot simply multiply that and pretend I have what we originally set out with.

I would appreciate any support the honourable members in the Liberal caucus could give to me and others on this side in bringing the reality of the situation to the attention of their federal colleagues. Clearly, they cannot escape responsibility for what has happened.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Swart: Mr. Speaker, my question is for the Minister of Revenue. Is he aware—and I am sure he is—of the depressed market for homes insulated with urea-formaldehyde foam insulation and the tremendous devaluation of those homes to the point where real estate operators frequently will not even list them?

Mr. George Janzen, president of the St. Catharines District Real Estate Board, said today, “At this point those houses have little or no value.” In view of this situation, will the assessment commissioners be instructed to reduce the assessed value of all housing with urea-formaldehyde foam insulation so that the future assessment and taxation will accurately reflect the reduction in real value?

Hon. Mr. Ashe: No, Mr. Speaker, that will not happen automatically. I think, as is typical of some of the members opposite, they try to make this into a real scary affair when governments are still evaluating what the overall impact of this problem is and what the solution might be. In the meantime, of course, anyone who feels overassessed for any reason has an appeal process through the assessment appeal court.

That option is open to them later on this year and I would suggest the honourable member can pass on to whomever he wishes in that regard—I appreciate, reading an article in the last day or so, the concern of a group he was addressing in Scarborough I think—that that is the route to go. If they can have some bodies at that court to substantiate the view that has been expressed, then their assessment and hence their taxes will be reduced accordingly.

Mr. Swart: Does the minister not realize that it is the obligation, in fact the law, that the assessors shall assess that market value or real value? Does he not believe, therefore, they have some obligation to investigate the reduced value of homes with urea-formaldehyde foam and they themselves take some action instead of forcing these people who have this foam in their homes through no fault of their own to go to the expense of appealing it and the lengthy delay

that takes place, and the very real possibility they may not get it in any event if it is the policy of the government not to give it?

Hon. Mr. Ashe: No, I do not at all. I do not subscribe to the views expressed by the honourable member. I think one could use the same argument for any reason that a particular dwelling is perceived to be reduced in value. Somebody with a leaky roof could phone up the assessor and say: “Come and reassess me. As long as I have a leaky roof it is not worth as much on the open market.” That is really the comparison. The avenue is there to appeal an assessment if anybody feels his assessment is not fair and equitable.

Ms. Copps: Supplementary, Mr. Speaker: The minister knows full well that the appeal procedure available for assessment review is available at the year end. The minister also knows full well that many individuals concerned about their health will be leaving their homes at considerable personal financial loss between now and December. What is the minister going to offer to those home owners who have to actually sell their homes to get out of this terrible situation and this terrible cost to their health?

Hon. Mr. Ashe: Mr. Speaker, I think it is fair to say that the member opposite is attributing to this government a problem we did not create. The particular situation that has been referred to, of somebody literally giving their house away and moving away, I would suggest may possibly happen in isolated instances. I would hope not, but it is possible. Again, if that unfortunately does happen there are ways and means of the assessment being reviewed at the appropriate time; and if not by the old owner, then by the new.

If we want to go back to the source of the problem, I think my colleague the Minister of Health (Mr. Timbrell) has referred to the source on more than one occasion, and once again I would have to say the members should contact their buddies in Ottawa.

Ms. Copps: On a point of order, Mr. Speaker: The minister has said he is not aware of situations where families are being forced to sell their homes. In my own riding I have at least two and I would venture to say there are many—

Mr. Speaker: Order. That is not a point of personal privilege.

HANDICAPPED WELFARE RECIPIENTS

Mr. Boudria: Mr. Speaker, I have a question for the Provincial Secretary for Social Development, who is responsible for the handicapped and for the status of women.

Is the minister aware that if a handicapped female recipient of Gains-D benefits marries, she loses her pension because she becomes a dependant of her husband and if the husband is unemployed they both have to go on welfare; but if a male is a Gains-D recipient and marries an unemployed female he continues to be a recipient of Gains automatically? Does the minister not think this policy is unfair to handicapped women?

Hon. Mrs. Birch: Mr. Speaker, through you to the honourable member, yes.

3:30 p.m.

Mr. Boudria: Can the minister investigate to determine what corrective action is necessary for this? As well, while she is at it, can she identify what other policies for which she is responsible are unfair to women and make sure that they are corrected as soon as possible?

Hon. Mrs. Birch: Mr. Speaker, of course I am very interested in women in this province, and in making sure that there is no form of discrimination. Some of those problems are being addressed at the moment.

Ms. Bryden: I have a new question, Mr. Speaker.

Mr. Speaker: The time for oral questions has expired.

REPORTS

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development presented the committee's report as follows and moved its adoption:

1. Your committee commends the Minister of Health (Mr. Timbrell) for the announced program of widespread testing of homes with urea-formaldehyde foam insulation (UFFI);

2. Your committee, in accordance generally with the announcement, urges the Minister of Health to use all practical means to advise residents of homes with UFFI about the testing program and specifically urges the minister, by utilizing the assessment branch of the Ministry of Revenue, the records of the Canadian home insulation program, the records of applicators and installers, public advertising and surveys, to

endeavour to locate all houses insulated with urea-formaldehyde foam and to conduct immediate and periodic tests for formaldehyde gas;

3. Your committee further urges the Minister of Health to ascertain from the occupants of all houses containing UFFI what symptoms, if any, they may be suffering from exposure to formaldehyde gas;

4. Your committee recommends that the House express its grave concern at the unwillingness to date of the federal government to develop an adequate program of retrofit for those homes with UFFI;

5. Your committee urges the Minister of Health to continue and intensify his efforts to work with the federal government to execute such a plan of retrofit; and

6. Your committee urges the Minister of Health to register vigorous opposition before the federal board of review to any attempt to lift the ban on any further use of UFFI.

Mr. Shymko: Mr. Speaker, I would like to make a few very brief comments on this report. It is a very important issue. It has had wide media coverage and I certainly would like to inform the House that this report was reached by unanimous agreement of all the members of the committee. There have been many reports from the social development committee in the past that had dissenting reports from a number of parties. It is a pleasure to see unanimity of the entire committee on this particular issue.

I would like to compliment the member for Welland-Thorold (Mr. Swart) who has worked and researched in this area quite extensively. I certainly compliment the member for his contribution to the committee, both during the discussion and in reaching this conclusion. I would also like to compliment the Minister of Health, who took the very first and important step in committing the allocation of moneys for the testing of gas in homes where urea-formaldehyde foam insulation had been installed.

On motion by Mr. Shymko, the debate was adjourned.

INTRODUCTION OF BILLS

ONTARIO ENVIRONMENTAL RIGHTS ACT

Mr. Smith moved, seconded by Mr. Kerrio, first reading of Bill 134, An Act respecting Environmental Rights in Ontario.

Motion agreed to.

Mr. Smith: Mr. Speaker, the purpose of the

bill is to provide for environmental rights in Ontario. The bill permits an action to be brought in the Supreme Court of Ontario by any person for the protection of the environment. The bill also provides for public notice and review of certain approvals, permits or other environment-related orders before the approvals, permits or orders come into force.

Other provisions of the bill provide for public access to information relating to environmental decisions and for regular review by the Environmental Assessment Board of all regulations affecting the environment. The bill also permits the Lieutenant Governor in Council to establish a fund to assist persons and public interest groups for the purpose of ensuring that points of view representative of significant bodies of opinion are adequately represented in environmental proceedings.

HEALTH INSURANCE AMENDMENT ACT

Mr. Kolyn moved, seconded by Mr. Pollock, first reading of Bill 135, An Act to amend the Health Insurance Act, 1972.

Motion agreed to.

Mr. Kolyn: Mr. Speaker, the purpose of this bill is twofold: first, to ensure that Ontarians have an easy-to-use and durable plastic card to signify that they are registered in OHIP; and second, to ensure that OHIP numbers indicate those cases where the cardholder is receiving public assistance with premiums.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: I wish to table the answers to questions 130 to 135, the interim answer to question 140, and the response to a petition presented to the House—sessional paper 115—standing on the Notice Paper. [See Hansard for last day of session.]

ORDERS OF THE DAY

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING ACT (concluded)

Resuming the adjourned debate on the motion for second reading of Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing.

Ms. Bryden: Mr. Speaker, when I began my comments on this bill on June 19, I pointed out that simply amalgamating the Ministry of Housing and the municipal affairs section of the

Ministry of Intergovernmental Affairs was not going to provide us with one new affordable housing unit, nor was it going to provide our municipalities with the kind of revenue-sharing they desperately need to meet their responsibilities to the citizens of this province.

Simply tinkering with the administrative structures will not stimulate the “minister of nonhousing” to change his spots. It will not get him to recognize that relying solely on the private and nonprofit sector will meet the housing needs of this province, nor will it stimulate the Treasurer (Mr. F. S. Miller) to stop treating the municipalities like *Oliver Twist*, who had to beg for every morsel at mealtime. It will still leave the municipalities relying too heavily on home owners’ taxes.

I also dealt with the section in the bill giving the minister powers over the crown corporations that come under his ministry. Not only does the legislation say he may give policy direction to the crown corporations—a power with which I agree—but it also says he may give “detailed operational direction” to the crown corporations. I asked the minister to tell us in his reply what that phrase means, and I remind him of my request.

I also asked him to give us assurances that any crown corporations for which he is responsible will report to the Legislature on a regular basis and that the Legislature will have some opportunity to have input on the determination of policy directions for crown corporations. I remind him of my request for those assurances as well.

3:40 p.m.

On the general question of accountability, I note the bill has a defect. It contains no provision for presentation of an annual report to the Legislature. Most other ministries do prepare and table such reports. We intend to move an amendment to provide for this.

Another area where we find the bill defective is on the matter of advisory committees and subcommittees. Section 11 of the bill provides for the appointment of such committees. It is a carryover from the old Ministry of Housing Act; there is no similar provision in the present act setting up the Ministry of Intergovernmental Affairs. Since section 11 is so general it can presumably cover advisory committees in both the housing and municipal fields.

I have long been disturbed by the way this government has used advisory committees. In theory the concept is a good one: to enlist the assistance of citizens in developing policy and

monitoring administration in a particular area of the ministry. But the way the government has used this power makes it ineffective for that purpose because the appointments in most cases are true Tory blue. It has become part of the patronage system. There is no opportunity for any public input in the choice of the members of an advisory committee.

I know some municipalities in Metro Toronto now advertise positions on advisory committees and permit citizens to apply. The provincial government follows no such practice; it looks among its friends for people to advise it. This does not ensure it is getting advice from a proper cross-section of the people affected by the subject matter of the committee.

I suggest we should give a majority of the seats on advisory councils in both the municipal affairs and the housing fields to the nominees of provincial organizations or associations in these fields. The minister is under no obligation to accept the advice of advisory committees, so this poses no danger that he will not be able to bring in whatever legislation he wants, but at least questions of new legislation and policy would be discussed by a body that is representative of the people concerned with the field.

We have had some experience with a similar procedure in the Provincial-Municipal Liaison Committee which was set up by Darcy McKeough when he was provincial Treasurer. I commend him for this initiative. The PMLC was a very useful forum for a number of years. It also had the advantage of being open to the public so its deliberations could be observed by interested citizens. Unfortunately, the failure of future provincial Treasurers to be responsive to this committee resulted in its becoming inactive in the last year or two. I hope it will be revived in some form soon.

Because we feel the opening up of advisory committees is so important to the working of democracy, we are planning to move an amendment providing for appointments of a majority of such committees from provincial associations in the fields covered by the subject matter of each committee. I hope all members interested in genuine citizen consultation will support this amendment.

I would also like to urge the ministry to make sure that advisory committees are subject to sunshine laws. That is the term used in the United States for laws which require that all government bodies, including committees, conduct their business in public. Just on Friday I introduced a bill to provide for this kind of

legislation, making it mandatory to have open meetings of all local government bodies and committees. I commend it to the ministry as a sample of the kind of legislation I would like to see the new ministry bring in.

We have decided to vote against this bill for a number of reasons. I have mentioned some of them, such as the fact that in the first place it offers no answer to the very serious housing problems that we face.

Secondly, it offers no new assistance to our beleaguered municipalities, which desperately need a legislated revenue-sharing program. It offers no hope that the municipalities can plan ahead if they do not get such revenue sharing. It means they will either have to tax the home owner more heavily, or curtail their programs.

We also find the bill seriously defective in the lack of accountability to the Legislature of the crown agencies under the ministry. We find it defective in its provision for advisory committees, without any proposals as to how the people who are to become members of those committees are chosen. We find it defective for having no provision for an annual report.

For all these reasons, we feel we cannot support this bill.

Mr. Roy: Mr. Speaker, I think you would find it surprising on a bill as important as this one, Bill 67, dealing with the establishment finally of a ministry of municipal affairs, if I, representing the riding of Ottawa East, did not get up and make a few comments. The honourable members would find it even more perplexing, I am sure, considering the fact that not only is this bill establishing a ministry of municipal affairs, but the member for Ottawa South (Mr. Bennett) is becoming the minister of municipal affairs.

I may say at the outset that members know me to be an impartial and objective observer of the political scene around this place, so they know that some of the things I plan to discuss briefly on this bill come from long experience in observing the political scene here at Queen's Park and the political scene in Ottawa, and the conjunction of the wheeling and dealing that goes on by the member for Ottawa South, who will now be the new minister of municipal affairs.

Just a few years ago I was a serious and very severe critic of the present setup involving municipal affairs. I am sure members will recall that in some of my interjections, or participation in the proceedings of this place, I was very critical of the setup whereby the Minister of Intergovernmental Affairs (Mr. Wells) not only

had the responsibility of dealing with the provinces and the federal government, but at the same time was House leader and had the added function of being minister of municipal affairs.

I put it on the record on a number of occasions when I was a critic of intergovernmental affairs that I felt that combination was not very favourable to our municipalities. The municipalities were getting what I considered to be sort of the short end. They were not getting the attention they deserved.

3:50 p.m.

That was especially so, considering the member for Ottawa South, who was Minister of Housing, kept going around the province telling people he was really minister of nothing, that Housing was a ministry that was no longer necessary, that all his valuable talents, assets, intelligence, objectivity and so on were going to waste. He said that ministry was no longer relevant.

One can see the serious contradiction for the poor Minister of Intergovernmental Affairs when at that time we were discussing serious matters at all those federal-provincial conferences that were taking place, such as those on constitutional reform. Over and above all that he was House leader and also had to take care of municipal affairs.

It was very unfair that the Minister of Intergovernmental Affairs should have all that responsibility. It was also unfair to the people of Ontario, especially when there was so much talent over there to take up the slack and the responsibility. The member for Wilson Heights (Mr. Rotenberg), from whom we hear in volume in high-pitched interjections, could have made some contribution, I am sure, in municipal affairs, but—

Mr. Rotenberg: I did.

Mr. Roy: There he is. Somehow the Premier (Mr. Davis) keeps passing him over and keeps looking favourably on the member for Ottawa South. Be that as it may, fate is cruel but that is what happens. That is part of the process.

The principle of establishing a ministry of municipal affairs and combining it with housing I think was a logical move for a change. I will make that concession. Members have known me to be critical of some of the things that have happened around here, but on this—

Hon. Miss Stephenson: Never.

Mr. Roy: I say to the minister, stay out of this or we will have some fun. I am glad to see the

Minister of Intergovernmental Affairs here. He will recall I said they should take the responsibility of municipal affairs from him.

Interjection.

Mr. Roy: He was hiding under the gallery, is that what he is trying to say? Anyway, I am saying possibly his strongest argument was to go to the Premier and say, "Create a ministry of municipal affairs and give it to the Minister of Housing, along with some of the member for Ottawa East's old speeches." He picked up some of my old speeches, showed them to the Premier and said: "If the member for Ottawa East is in favour of this, obviously it has to be logical and objective. We should do it."

They went ahead and did it. I am totally in favour of the principle. I am glad to see that since the change has taken place the House leader, the Minister of Intergovernmental Affairs, looks more relaxed and more at ease. I am totally in favour of the move.

Let us proceed on this premise: I think it is wise to have a separate ministry for municipal affairs and it is logical as well that this ministry be coupled with housing. It makes sense. I think the minister said before that housing does not have the priority it had in the past and he felt there should be something else to satisfy his great enthusiasm, ambition and talents.

The question that follows is, is the member for Ottawa South the proper person to have as minister of municipal affairs and housing? On that basis, if we were at this late date to put the case to the jury, I say to the member for Ottawa South he might have a little problem unless he had some really good counsel or took on a new approach towards the jury. The reason I say that is the minister obviously has all sorts of talent. There is just no doubt about that.

Mr. Breaugh: For what?

Mr. Roy: Some people ask "For what?" I want to tell the members for what. Some members around here have been critical of the member for Ottawa South, but I have had the opportunity, as one who represents an Ottawa riding—he has the riding next to mine—to watch him in action for a long time, even before I was involved in politics. Of course, we were elected in the same year, 1971. Nobody knew who the hell I was, but the member for Ottawa South was a rising star in the Ottawa-Carleton area.

Any member who can come down here and wheel and deal his way into the cabinet as quickly as he did has to have talent for something. You know that, Mr. Speaker. I ask

some of the lights on the other side there; I see the member for Carleton East (Mr. MacQuarrie) just salivating back there and asking the minister for advice on how one wheels and deals one's way into cabinet as quickly as he did.

But the member for Ottawa South had it. At that time he came down here he was a controller. This was an interesting situation. The members here who may have missed this original session of 1971 will not recall that when he came down here he was a controller from city council.

Mr. Rotenberg: What does this have to do with the bill?

The Deputy Speaker: Well, it is an interesting story. We are enjoying it.

Mr. Roy: The member for Wilson Heights will not understand anything unless it centres on Toronto, will he? Let him listen to this.

The Deputy Speaker: The member for Ottawa East is going to work it in, I am sure, is he not?

Mr. Roy: So the member for Ottawa South made it down here; he was controller for the city council and an MPP.

Hon. Mr. Bennett: Acting mayor.

Mr. Roy: Acting mayor, he says. I am sorry about that. The present leader of the NDP, the member for Ottawa Centre (Mr. Cassidy), was at that time an alderman on city council and an MPP. I can remember that those two never liked each other. I think this is no news to anybody; if I put that on the record I will not be offending anyone.

Anyway, I could see them exchanging insults; the one saying, "How can you be an alderman and still be an MPP?" and the other saying, "How can you be a controller, an acting mayor, and still be an MPP?" That was the rage at that time. Neither one of them wanted to give up the other job. So we had to pass a law in this place that prohibited an MPP from holding municipal office. But at that time the member for Ottawa South made it one better: he was controller and acting mayor and then he was made a parliamentary assistant, was he not? Then, as well, he was an MPP.

Hon. Mr. Bennett: Regional executive, regional council, chairman of the planning board—you might as well get it right.

Mr. Roy: A regional executive and all that. There he is; he is putting it all on the record. Does anybody question that anyone with the flexibility and enthusiasm to hold down all those jobs is capable of being minister of municipal affairs and housing?

The next step was that we passed this law. It was very unfair, taking away all these jobs from the member for Ottawa South and the member for Ottawa Centre. Then the crunch came: the mayor of Ottawa, Ken Fogarty, was appointed to the bench.

Hon. Mr. Bennett: That was before that. Your timing is wrong.

Mr. Roy: Do not confuse the issues with the facts. Do not confuse my story with the facts.

Hon. Mr. Bennett: Touché, touché.

Mr. Roy: Then the member for Ottawa South said, "Look, the mayor's job is open, and I either go back to become the great mayor of Ottawa or I go into the cabinet." That was the threat at that time. In 1972-73 he made it into cabinet on that basis.

I can remember all those other sourpusses on the other side, because at that time there were—what?—77 members in 1971?

Mr. Nixon: Yes, a lot of them.

Mr. Roy: Seventy-seven members were saying, "How did this guy from Ottawa wheel his way into cabinet?" That is how it was, and he has hung on since.

4 p.m.

So those are some of the ways in which the member for Ottawa South has wheeled his way. That is going to be important to him as minister of municipal affairs and housing—that he wheel and deal his way around the province. The other thing about the Minister of Housing is that he is a good talker. We need a good talker as minister of municipal affairs. As Scott Young, the former journalist with the *Globe and Mail*, said, "What is the Premier doing releasing that man on the chamber of commerce of London?" Remember that, Mr. Speaker, when he made that terrible comment? He said it was unfair that—

Interjections.

Mr. Roy: Even at that time the Minister of Housing was criticized because he talked too much. Of course we have recently had some more evidence of what happens sometimes when he talks a bit too much. There have been his sexist comments in the House about my good and dear friend the member for Hamilton Centre (Ms. Copps).

The Deputy Speaker: Mr. Roy, we have had some fun here for five minutes. We have enjoyed the stories, but this is going to be difficult to work into the bill.

Mr. Roy: This will be very short.

The Deputy Speaker: I know, but it is going to be difficult to work into the bill, don't you think?

Mr. Roy: I just want to come to the defence of the minister who is going to accept this responsibility here today. I think it was unfair—

The Deputy Speaker: Mr. Roy, may I ask you in regard to your quest in defence of the minister, do you think a judge would buy that?

Mr. Roy: Mr. Speaker, I think it was unfair that he be called a clod. "Claude's a clod," David Oved of the Sun said. Did you read that? I think that is—

Some hon. members: Read it.

Mr. Roy: Oh, no, no; I do not want to read it all. I just want to say to the minister that I think that is a bit unfair.

We trust that as minister of municipal affairs he will exhibit some objectivity and will not get involved in personal things if some mayor gets on his nerves, because the mayors and reeves across Ontario are not all Tories. No, they are not, and so it is going to be important that the minister show a bit of self-control when he is being badgered, when he is being pressed by some of these municipal officials. It is going to be important that he show some—as we say in French—sang-froid, that he does not get overly carried away.

As well, the minister is going to have to show by example. It is not good enough for a minister of the crown only to say to people, "Don't bother with what I do; do what I say." It is going to be very important that he give a proper example as minister of municipal affairs as well as Minister of Housing, and that he does not get himself into embarrassing situations where, on the one hand, he says there is no problem for middle-class families to get housing in Toronto, and on the other hand, he screams his head off about getting some MPP remuneration to pay for his house. He is going to have to watch that he does not get himself in some of those serious conflicts.

The other thing I want to say about the minister is that now that he is going to be minister of municipal affairs I trust he will follow up on some of his inclinations. One of the inclinations he had—and I heard him say this and I read it in the press—was to be favourable to the three-year term for municipal officials in some areas. He was quoted, I think, just recently in the Ottawa Citizen as having said that; I trust he was serious and that he will proceed to enact this.

My God, he got a lot of press over the

weekend. He was on the front page, he was on the second page and he was on the tenth page. That kind of press—

Hon. Mr. Bennett: The fifth.

Mr. Roy: Fifth page. That kind of press I am not sure I would want, but that is—

Mr. Epp: They spelt his name right.

Mr. Roy: They spelt his name right; there is no doubt about that.

I want to say to the minister that now that he is minister it is no longer good enough for him to go around saying, "Yes, I am in favour of a three-year term." If he wants it, he should enact it. He should show some guts, show some leadership. The buck stops on his table. He is now the minister. I am sure his colleague sitting next to him, the member for Carleton East, will encourage him to move to a three-year term. That was awful, going to elections every two years. It was not too bad for him because he was running as a Liberal then, but now, as a Tory, he could not stand to go back. He could not go back and run every two years as a Tory in Carleton East.

The other thing that is going to be important for the minister is an important piece of legislation under his authority, which he obviously reviewed in looking at this bill, the Ontario Unconditional Grants Act, 1975. That is under the minister of municipal affairs.

The question I want to convey to the minister is that as an Ottawa member and now to be the minister of municipal affairs and housing, how long is he going to tolerate the situation of Ottawa being the only regional area where the police forces are not getting a full grant? We talked about this other evening and I want to mention it again.

If I sound repetitious, bear with me, because it is very important that we get the message across that this government, having made the decision to keep the various police forces in Ottawa—they did not regionalize them; Gloucester, Nepean, Vanier and Ottawa all have separate police forces; they agreed to this and they say Ottawa is getting good policing, but on that basis they are being penalized because they are still considered not to be a regional force, so they are losing.

My colleague the critic for municipal affairs I am sure will tell me the difference in grants now. Is it \$5? The difference is between \$12 and \$17?

Mr. Epp: Yes, \$12 or \$17.

Hon. Mr. Bennett: Yes.

Mr. Roy: No, not for the police force. I asked the minister, does Ottawa get \$17? They do not get it for police forces.

Mr. MacQuarrie: Unconditional grants in the Ottawa area are higher than in other regions.

Mr. Roy: That is very interesting. The member for Carleton East, that former Liberal, has just interjected that the unconditional grants for Ottawa are higher than in other areas of the province. That is not what he was saying when he was reeve. He kept saying, "Why are we being penalized?" My God, from now on we are going to have to take it under oath when he says something.

Now that he is getting this big job as minister of municipal affairs and housing, it is going to be interesting to watch the limousine going around the province with the minister sitting in the back wheeling and dealing—

Mr. Epp: Flashing lights.

Mr. Roy: That's right; flashing lights, special licence number and everything else. I think the minister is going to be suited for that sort of job, but in the process he should make sure that the good people of Ottawa, who keep sending him back to this place, get the same amount of money as the other people.

Why does he continue to be a member of a government that short-changes those people? What have they done to him? I do not understand it; his people keep sending him back here and he does not give them the same amount of money as he gives to the other people.

Having made these very few brief comments about the minister of municipal affairs and housing, I want to say again that in principle we are in favour of the bill. We will be keeping an eye on the new minister and, now that he will be kept busy with all this municipal stuff, maybe he will have less time to make some of what I consider to be extracurricular comments about women, Indians, native peoples and so on.

Mr. MacDonald: To say nothing of housing.

Mr. Roy: Somebody mentioned housing. He will not be saying too much on housing, because housing is not his bag. He said that before. He does not have much interest there.

All I want to say to the minister is that he is going to have to curtail some of his more energetic interjections in this place. He is going to have to keep calm and cool, because there will be a lot of questions asked. We are all keeping a close eye on our municipalities, especially those of us from Ottawa, because we want to keep an eye on our dear friend and

member for Ottawa South who now has this big job, which he has been talking about a long time.

He has threatened to go back as mayor a couple of times—you should know that, Mr. Speaker—but each time he keeps saying: "The Premier talked me out of it. He promised me this big job." Here we are. He said that, and so he has the big job. We will be keeping an eye on him. In the process, some of us who watch the universe unfolding in the context of Ontario politics will keep an eye on our dear friend the member for Ottawa South and wish him well.

4:10 p.m.

Mr. Philip: Mr. Speaker, passage of this bill will do absolutely nothing to improve either the quality or quantity of housing in this province. It will do nothing to preserve agricultural land, which this government has allowed continually to disappear despite calls for action by the Ontario Federation of Agriculture and the New Democratic Party. It will do nothing to decrease the excessive profiteering and housing speculation. It will do nothing to improve the quality of life for Ontario Housing tenants or even to allow them representation on those decision-making bodies.

What we have here is a bill that is more bureaucratic gimmickry with the Ministry of Housing. It is the same kind of gimmickry evident in Bill 19 when the Minister of Education and Colleges and Universities (Miss Stephenson) tried to amalgamate those ministries on grounds that somehow it would be more efficient.

This bill is much more sinister than Bill 19 in a way. Bill 19 was not an attempt to eliminate any kind of services or programs of any of the two ministries it was attempting to amalgamate. I submit that this is merely one more attempt by this minister to downplay the Ministry of Housing.

It is reasonable that if we are to destroy what was created in 1973, the Ministry of Housing, we should at least examine why the separate ministry was created and whether this government has lived up to the reasons for creating it. It is also reasonable to examine the reasons that ministry was set up in 1973 and to find out whether those same circumstances are relevant today.

At the time the Ministry of Housing was created, our party agreed that a separate ministry would be meaningful only if that ministry acted in a dynamic way. This Ministry of Housing, particularly under this minister, has done no such thing.

The report of the chairman of the board in the Ontario Housing Corporation annual report of 1973 said the creation of a Ministry of Housing was a key recommendation of the Ontario Advisory Task Force on Housing Policy. The result would be "even greater service in the provision of affordable accommodation. . . The naming of a minister responsible solely for housing indicates the growing priority that Ontario has placed on this activity."

When we go to the history of how this ministry was created, I think we get more insight as to what the government was saying back in 1973, what its intentions were and what an abominable failure it has been in meeting those intentions and objectives.

The Ministry of Housing was created in 1973 in response to the recommendations of the Ontario Advisory Task Force on Housing Policy, or the Comay report as it has come to be known. A separate Ministry of Housing was created solely to handle housing matters. In 1981, housing is still important and yet this ministry wishes to do away with the very policies and programs that were advocated. Indeed, it has not met those policies and programs that were advocated in the Comay report.

Many of the findings of the 1973 Comay report are equally relevant today. The report found housing costs too high for most incomes. This is equally true today, and we have documented it day after day in this session of the Legislature while the minister continues to ignore it. It called for additional programs of needed housing assistance. We have documented that the long lines of people waiting for assisted housing are growing larger and larger. It is taking longer and longer to get those people who are desperate for housing into any kind of government-assisted housing, particularly in the geared-to-income program.

The Comay report, the report of the Advisory Task Force on Housing Policy, said: "There is a need for one ministry to speak out for and concerning housing. Housing should have a high priority in government policies and programs. The government should assume the leadership in housing." It went on to say: "The ministry of housing should be established to assume responsibility for housing policy and housing programs and urban and regional planning."

This report also made recommendations for new initiatives that merit serious consideration even in 1981. It called for home ownership assistance and provision of additional public

housing to meet demand: "The government's subsidized housing program should give first priority to housing assistance for the needy who do not yet receive it."

The report tabled in this Legislature by the standing committee on administration of justice and voted down by this majority Conservative government dealt with that very point, a point this government does not accept. It called for maximum fair rents that should be set for public housing.

Interestingly enough, on page 18 of the Comay report, it says: "Tenant participation in all aspects of management relating to day-to-day activities should become a general practice in assisted housing developments."

That was the issue on which we locked horns with the minister in the justice committee when we did our investigation this year on what was wrong with the Ontario Housing Corporation. Indeed, it was the one major item the minister's back-bench colleagues on that committee refused to touch.

Recommendations for expanded assisted housing for the elderly, native people, handicapped and mentally retarded were also dealt with in that report.

It would be useful at this point to look at some of the issues dealt with in the Comay report. On page 18 it says, "There should be a thorough review of public housing rents which takes into consideration the type of accommodation provided and rents in the private market as well as individual income circumstances." That has not been done.

It says: "The comprehensive review of the rent-geared-to-income scale should be related to the larger question of income maintenance. In principle, rents should not be set to frustrate tenant initiative." That was brought out in our committee report which we tabled in this Legislature and which the Conservatives voted against.

The Comay report says, "A maximum 'fair rent' should be set for all units which relates to the cost of producing the housing and which would allow tenants to accumulate enough resources to move into the private market if they wish." That was dealt with in a different way in our committee report. None the less, it relates to that essential problem which has not been dealt with by this government or this minister.

I could go on in some detail on the recommendations of the Comay report on page 18. One of the recommendations is: "Until the

supply of assisted low-income housing is brought closer to the need for such housing in any area, the residents of any particular neighbourhood should not receive priority for housing in any given project." The ministry has not even addressed itself to that situation.

Again on page 18, tenant participation was one of the major concerns of the Comay report. It was one of the major concerns of our committee report on Ontario Housing and is the one that the minister has refused to deal with.

If we look at the Comay report on page two, we see that in 1973 some of the main findings that resulted in the creation of the Ministry of Housing are still quite relevant today. It talks about the critical government activities needed related to housing. It says that "costs are too high for most incomes."

4:20 p.m.

On page three it deals with the problem of the increasing cost of housing, "exacerbated by speculation and by panic buying in many areas." Again, this could have been written in 1981. It was justification for the creation of a Ministry of Housing to take action way back before many of us were elected to the Legislature.

It also talks about the rise in the cost of labour and materials and the cost of financing, and about housing in which people's expectations and their needs are not being met.

On page four it states that the government is not specifically concerned with housing as such and that "no one speaks for housing." That is why a Ministry of Housing was needed. One need only see the ramblings of this minister to see that nobody speaks for housing now either, at least not on that side of the House.

It talks about the high degree of priority in housing and the government's policies and programs that were needed. Also it talks about the need for a Ministry of Housing to create public awareness of housing issues.

I submit that anyone who has listened to the question period in this session of the Legislature will know that this government is not showing leadership in public information. It seems to be showing leadership in creating as fuzzy an atmosphere as possible so that the public does not understand what the issues are and the ministry can sit back and do nothing.

In a sense, the fiddling with this ministry is testimony to the fact that the Ministry of Housing has failed miserably to meet the concerns expressed in the Comay report in 1973. So now we have another bureaucratic shuffle.

In recent years, the Ministry of Housing has laboured under one very difficult burden. I do not want to be provocative, but that burden has been the present minister. I do not doubt this minister is capable of handling other ministries, and probably capable of doing it quite well. But his philosophical orientation or stagnation or orthodoxy, or whatever one wants to label it, prohibits him from acting in a dynamic way to do anything about housing in this province. He thinks such initiatives would necessarily mean the government would be interfering in the private enterprise market, and that is philosophically unacceptable to him.

Some of the comments made in the press about the present minister show why he is not the one for this job. I refer to a report in the *Ottawa Citizen* of May 17, 1980, under the byline of Orland French, a *Citizen* staff member, and headed: "A Tough Housing Portfolio Is Bugging Claude Bennett." It says:

"The Housing portfolio has not been kind to Claude Bennett. He is developing an extremely thin skin. . . . Most ambitious politicians, and Claude Frederick Bennett is nothing if not ambitious, would not consider the Ontario Ministry of Industry and Tourism to be the zenith of a political career but, for someone who was the Ontario Jaycees' outstanding young man in 1968, Industry and Tourism was a playground. . . .

"Bennett is a glad-hander, a back-slapper, a born business booster, but in 1978 his career took a downer. Premier William Davis, for some inexplicable reason, shunted him into the Housing portfolio where the minister's best side, no matter who he is, is that of a Grinch and a Scrooge.

"Bennett has been grumbling about his job ever since he arrived there. It just ain't fun. Everyone is on his back and he never gets his smiling mug on the front pages of the *Omeme* Star-Banner shaking hands with the owner of a local nudist camp or a go-cart emporium."

One can assume that under the new superministry he will get an opportunity to do that. No doubt that explains some of the motivation.

It goes on and says: "He does not like his job, and bites back when the press bites him." I will not read the whole article—it is a very long article, and I would refer you to it, Mr. Speaker—but it says:

"No, it's no fun being a housing minister, a job that requires a certain amount of compassion and understanding of human failure. But one

has to wonder about Davis's selections for the post. He used to have a housing minister named Allan Grossman, who would refer to his tenants as 'those kind of people,' with a knowing tone in his voice to clue listeners in on exactly what kind of people they were. Now Davis has a housing minister who sees a buck as buck, even if it has to be wrung out of confused old widows."

There are parts of the article that are much more vicious than that, Mr. Speaker, and I will not read them for you, but I am sure, if your intellectual curiosity gets the better of you, you will no doubt want to read it for yourself.

One of the basic checks we in the opposition have concerning a ministry, and indeed the public has, is the publishing of an annual report. I find it interesting that the Ministry of Housing has failed to provide for an annual report. For that reason, I will be moving, in committee, that this be done under section 4 of the bill.

In conclusion, we would be willing to support this bill were we given any assurance that under the new superministry—under the new combined ministry—there would be one inch of initiative by the ministry in the housing field. The fact is that many, if not all, of the situations that resulted in the creation of the Ministry of Housing in the first place still remain. The fact is that we have a minister who does not like his Housing portfolio. The fact is that we will have a new superministry where housing will be nicely downplayed by the minister, who did not want to be Minister of Housing in the first place.

For those reasons, we will not vote simply for politically tinkering with the structures of government in the absence of any concrete, specific proposals and programs on what is needed in the housing field.

Mr. Boudria: Mr. Speaker, I want to speak only briefly on Bill 67. I thought I should speak to the bill in view of the fact that I was in the minister's riding only last Thursday—and I spoke on his behalf, of course; I told all the Ottawa South Liberals just what a fine gentleman the minister was, and they were all very pleased to hear that.

There are a couple of things that concern me about the bill. I recognize that municipal affairs and housing should go together. In spite of the fact that the bill has some shortcomings in it, I think that having municipal affairs and housing together would be a benefit to this province. However, there are a couple of things I would like the minister to know, and I would like to get his comments later when he makes his statement.

I am wondering if the merger of these two ministries will provide speedier amendments to things like official plans. Many municipalities have great concerns right now about the length of time it takes to get an official plan approved, especially in areas where they have regional government. Amendments to official plans take sometimes as long as 18 months to go through right now. One municipality in my own constituency has an official plan amendment in front of the minister now, and it is being delayed for what some people consider a very long time.

4:30 p.m.

I recognize that the past Ministry of Housing was somewhat unusual at least in its name, because it did not really deal only with housing. As a matter of fact, it dealt very little with housing if one thinks about it. It was really the ministry of planning and zoning and things of that nature, more than anything else.

When one considers that one of the tasks of the Ministry of Housing was to approve official plan amendments that dealt with industrial parks, one kind of wonders what on earth that has to do with providing more housing for the residents of this province. It obviously has nothing to do with it, but because planning is done in relation to housing it was all done by the same ministry. So perhaps, while we are at it, all the things that deal with municipal affairs, housing, planning et cetera, should all be done by one minister, and that is fine.

The only thing I would like to be assured of is that we do not water down the importance of the housing section. We know, as I said previously, that the passage of certain official plan amendments and so forth is quite slow already, and we certainly would not want anything to slow it down any more. By having all the ministries together it may provide better co-ordination of certain comments that have to be put into such documents by various ministries, and in fact we may get approvals quicker. I hope the minister can elaborate on that as well.

The other thing I have some reservations about is the attitude that has been displayed by the minister recently, and I say this constructively because I hope the minister does change that somewhat. We saw some comments the minister made to the Association of Municipal Clerks and Treasurers of Ontario last week which were not exactly complimentary to some opposition members of this Legislature and which were, with all due respect, I think quite untrue, as reported to me by one of the clerk-treasurers of our municipality. I do not

think comments like that should be made by a minister who is responsible for the liaison between the different municipalities of this province and the government of Ontario.

I think the role of such a minister has to be one that is quite a bit more conciliatory, not abrasive and not attempting to be quite so partisan as we have seen in the past. I just hope the minister takes that into account when he starts on this new function as minister of municipal affairs and housing.

Having said that, I am in favour of the bill. I would like to see a few more things in there, and I would like to see the minister, now that he will be in charge of the ministry of municipal affairs and housing, bring forth those bills that he referred to in his meeting with the Association of Municipal Clerks and Treasurers of Ontario the other day. He should put them on the Order Paper where they should be and then we can talk about them.

He should not go around this province and accuse opposition parties of not co-operating for better government to municipalities when we really had nothing to do with setting the agenda of this House. That is a function that is shared by the minister and the government House leader. It is unfortunate when comments like that are made about members of this great assembly.

There is one more thing I want to say on the bill; it has to do with the amendments to the Planning Act. We know we have waited a very long time. We know of the white paper that has been published and so on and so forth, but it has been five years since we started talking about a revised Planning Act. Now that the minister is in charge of both municipal affairs and housing, I hope this process will be accelerated somewhat so that we can have a new revised Planning Act as soon as possible.

Mr. Mackenzie: Mr. Speaker, I rise in opposition to this bill. I see it as having the potential, if indeed it is not actually the means, of clouding and ducking an issue that is of some concern to us; that is, the record of this government in dealing with what I see as a crisis in housing.

I think the bill probably destroys any benefits that I concede might possibly accrue from the merging of municipal affairs and housing. We cannot afford, as I see it, to allow a clear focus on housing needs to be undermined by the inevitable buck-passing that will go on if the responsible minister can hide behind the other half of his responsibility. Indeed, when I read

the explanatory note on the bill itself, it raises questions as to what might be the minister's priority. It says:

"The purpose of this bill is to establish the ministry of municipal affairs and housing. The minister will be responsible for municipal affairs, community planning, community development, land development and housing and related matters in Ontario." Forgive me if I get the impression that the bottom end of the list of responsibilities of the minister is housing.

There has been a lot of talk about the obvious failures of this government to provide leadership in housing in the Toronto area. While the speculation may not be quite as blatant in housing in other parts of the province, the squeeze on people is none the less every bit as severe.

I want to deal with a few housing matters in my own community of Hamilton to give the minister some idea of what we are up against. First I want to talk about people who want to try to buy a new or used house or a condominium and then I want to deal with some of the problems of assisted housing in the city of Hamilton and Hamilton and district.

The increases in housing prices have not been quite as dramatic in the Hamilton area as they have in Toronto but in the Metropolitan Hamilton Real Estate Board listings the pattern at least is one of concern. It shows that in a six-month period alone, from last December to May, the average price of resales in the city jumped from \$41,000 to almost \$48,000. That is an increase of better than 14 per cent. There has been a fairly large number of sales, and I submit that is a sizeable increase. It is beginning to have its effect on people's ability to afford homes in the Hamilton area.

I am the first to admit there have not been a lot of new housing sales and therefore the figures are possibly a little more difficult to make a total case on. Nevertheless, the average price of new houses sold in the Hamilton area has gone from \$65,800 to \$82,000 in the same six-month period. If we take the entire area it has gone only from \$80,000 to \$85,000, but even that, in a six-month period, is a sizeable increase.

Looking at the lowest-priced used housing usually to be found in the area—some of the condominium units and some of the row housing units—we find a disturbing trend even in that area. In 60 used condominium sales—and I am going now to the figures for February from the Hamilton board—the average price was \$36,285. But we jump to the month of April and

we find the average price on the sale of used condominiums—a much larger number; 154 units—has jumped from that 60 units at \$36,000 to better than \$42,000. That is an indication to me why I have the kind of concerned people coming into my office with these problems that we have had in the last period of time.

It raises a number of serious points. I think the Minister of Housing has a responsibility for whether or not people in this province have the right to end up seeing their dream fulfilled, and that is being able to purchase a home. It may be difficult in downtown Toronto but it is a hope in most of the rest of the province still. I think it is a direct responsibility of the Ministry of Housing and one of the reasons I think this has to be an area that is given some priority.

4:40 p.m.

Assuming that the purchaser in buying one of these homes in the city of Hamilton pays a 10 per cent down payment and mortgages the balance, assuming that his mortgage is calculated on a 25-year amortization plan, supposing that the current rate for a mortgage today is 18.5 per cent—and that is about what the going rate is in the area for a new mortgage—and assuming that the property tax is \$700—I want to make the point that I have assumed low on the property tax and probably on the interest rate as well—what does this mean to the person trying to buy a home in the city of Hamilton? If we also assume that the purchaser's payments for principal, interest and taxes are not to exceed 30 per cent, the standard lending institution ceiling for gross debt service in respect to shelter costs, we have the following situation—and I am once again going to use the three examples I used earlier.

We will take a used single-family dwelling at the average price in the city of Hamilton, \$47,408, with a down payment of \$4,700 and a mortgage of only \$42,600—I will go on the low side once again. The taxes are \$758 a year and mortgage payments of \$7,577 a year, or \$631 a month. Principal, interest and taxes bring it up to \$8,277 a year, or \$690 a month, for the average used home sale in the city of Hamilton.

The income necessary to carry that home within the last month in the city of Hamilton is \$27,591. The average industrial wage in Hamilton is \$17,254, which leaves a deficit of \$10,337. In the basic steel mills, where we have a lot of employees, the average is probably closer to \$22,000 than to \$17,000, but it is still not \$27,591. That means this family either has to carry a second job, has to have a much bigger down

payment and a lower mortgage—and that is not always easy—or has to send the wife or partner out to work. That brings about a number of dangers which I have run into within the last few weeks in my constituency office, including wives who either have been laid off or are having a family now and have to quit work; all of a sudden they find that with the new interest rates they cannot meet these kinds of mortgage payments, and their houses are really at risk.

The average price of one of the new houses in the city of Hamilton is \$81,976, probably a heck of a lot less than in downtown Toronto on the average. With a down payment of \$8,100 and a mortgage of \$73,700—once again we will take \$73,000 to continue our policy of staying slightly on the low side all the way through these figures—the mortgage payments for a year are \$13,170, or \$1,098 a month. When we add in the taxes it costs \$13,870 a year—once again just going on \$700 a year taxes, and that is a low figure—or \$1,156 a month, to carry that house. That means the income necessary to carry that new home in the city of Hamilton, based on 30 per cent, is \$46,234. With an average industrial wage of \$17,254 there is a shortfall of \$28,980. Even if one is a Stelco or Dofasco employee, and if in addition to \$17,000 one has another \$5,000, and if one's wife is working and is making \$10,000 or \$12,000, there is still a shortfall of almost \$8,000 to buy that new home in the city of Hamilton.

Let me give the third and last example I want to use, which is the cheapest used housing one can buy in Hamilton: a used condominium. In six months they have gone up to \$42,877 from \$36,000. With a \$4,200 down payment one ends up with \$571 a month for principal, interest and taxes. Using the same base figures of \$630 a month, one needs an average income, based on 30 per cent of income for housing, of \$25,186. At \$17,254 one certainly cannot carry it, and if one is lucky enough to be a Stelco or Dofasco worker at \$22,000 or \$23,000 one still does not qualify for that used condominium house being sold today in Hamilton.

What I am suggesting is we have a housing crunch that is hurting people and preventing the purchase of homes. It is having a serious effect unless at least two parties in that family are out working. That is going to destroy an awful lot of the confidence of our younger people and of some people who saved whatever they could for a period of time. It will destroy their feeling that some day they will have a chance of getting into

and owing their own homes. I submit this problem has reached serious proportions and we have to deal with it.

There is another thing going on which shows the sickness, if one likes, of what is happening in our housing policies and in the lack of housing policies in Ontario. I mentioned town house units. I want to refer to what has happened in the 10 Angus Road, Wentworth Condominium Corporation 34, a situation where there were 140 units.

Sixty-two of them are now owned by Canada Mortgage and Housing Corporation as a result of quit claims, of people just walking away from them because they could not handle the mortgages. This was assisted and subsidized housing to begin with, but they see the new mortgage rates that are coming through and they know they cannot handle them. People who went into these homes and just managed to qualify with about a \$12,000 per year income level are now finding themselves up against it.

Admittedly, for the five-year period since most of these people purchased them, it is not a large equity. But what do we find happening? There are a number of things I cannot quite figure out. These are not necessarily all the responsibility of the provincial government but they point out the problems we have and the lack of any real housing policy in the province.

In that survey of the 62 units owned by CMHC, as of a week ago, 37 were vacant and 25 were rented. The rent was \$355 a month, and how they have done it through CMHC I do not know. I have not been able to ascertain whether the \$41 payment for maintenance is on top of that, but they have rented them at \$355 a month. I do not know how long those rents are going to stay, but it is a lot less than the people with the new mortgage payments in that housing project are going to be paying.

I will give an example of one family that was in to see me. They were paying \$241 a month. There was a \$100 subsidy on that under the program under which they went in. They are paying \$41.50 for maintenance on top of that. They have been told that if their mortgage rate is 17 1/4 per cent they are going to have a monthly payment of about \$550 a month plus their maintenance fee. Since then they have been told it may be 18 per cent.

This couple could not afford that kind of payment. In this case, the young chap had done some work and put what he figured was \$3,000 or \$4,000 worth of handyman repairs and renovations into the basement and into the unit

itself. He also happens to serve on the board of the condominium and is really in touch with the rest of the residents.

When it became apparent the new interest rates were due, what happened to these people who had grabbed the only thing they could some five years ago in terms of housing in Ontario? When the rate of between 17 and 18 per cent got out and they knew they were going to be paying \$531 plus \$48.50—I think those were the figures one of them got, based at the lower 17 1/4 per cent and it may be higher than that—all of a sudden some entrepreneurs appeared on the scene and said: "Hey, can you handle the \$580 you are going to have to pay?" These people cannot do that. "We will offer you a little deal. We will give you two years' rent at \$425 a month. That will save you \$150 right off the bat. You turn the ownership of the unit over to us."

As far as I know nobody in the unit bit on that particular offer. That could make somebody a lot of money if the escalation in prices I am talking about continues in Hamilton and in many areas of the province, but it is going to hurt those people who went in and are quite proud of what they have, those who stayed there and have not walked out taking the quit claim route. In some cases they spent some of their money trying to improve the housing. It is going to cost them their dream of a house and probably destroy their faith in our ability to deal fairly with people in the future.

They were not getting many takers initially. Then the word got out it might be higher than 17 1/4 per cent. The next offer that came around was, "We will give you 500 bucks cash and the same two-year deal at 425 bucks a month." As far as I know, almost every family in the survey was canvassed. Some of us started raising a little heck about it saying: "This amounts to nothing more than a ripoff. It may be legal but, boy, it sure as blazes isn't right."

4:50 p.m.

We started making just a little bit of noise about it. We warned the people to take a careful look at it. Some of them were saying: "If I can't handle the new mortgage, I am getting out with something. I have got two months' rent. Maybe I can handle the \$425, that is going to be difficult enough." We started making a little noise and all of a sudden we have brought them around. This time we have it in writing and they have sweetened the pot quite a bit. Incidentally, as far as I know, one or two families took the \$500. I am trying to verify that right now. Two of the

board members tell me that at least one did. I hope it is not true, but nevertheless, they tell me that is what happened.

Now they are passing out a little leaflet, Sunland Realty Service, a Century 21 complex:

"Dear Home Owner:

"Within 90 days, mortgage renewals through the Central Mortgage and Housing Corporation will bring your monthly payment of principal, interest, taxes and maintenance to almost \$600 per month. As an alternative, we have a client who will purchase your unit for \$2,100 cash to mortgage." That is from nothing to \$500 to \$2,100, a pretty nice little escalation, but it still shows exactly what is going on here.

"You have the option of leasing the unit back for \$425 per month." There is also a 3.5 per cent commission. "Please think it over carefully. By August, you will have no alternative." Certainly, the big stick is up there. "Sincerely"—I guess the signature is the agent who was around doing the particular work.

As far as I am concerned that is destructive and morally dishonest. Whether it is legally dishonest or not, it is something that points up the tragedy of the kind of policies we do not have in Ontario when it comes to housing for people today.

That is the first half of it and it deals with why I think we need a minister to concentrate and to zero in on the housing situation in Ontario. The other half of it is the need for an assisted housing program for those people who cannot afford and probably never will be in a position to try to purchase a home.

I have a little study here which some people in Hamilton are working on right now that has some interesting figures, most of which I had to gather myself for previous comments. It shows, for example, that an examination of the waiting list for family units supplied through the Hamilton-Wentworth Housing Authority for May 1980 to April 1981 reveals that they have gone from 486 to almost 700 on the waiting list.

The waiting list increased by 253 people or 52 per cent during that period. The overall trends are very significant. During the 13-month study period, the waiting list increased by 19.8 or 20 per cent. Although periodic drops in the waiting list occurred in September, December and May, these decreases in every case appeared to lead to higher peaks in the following months as the overall numbers climbed.

At the same time as we have this kind of an increase, we have a much smaller increase in seniors' units. We have a list of the vacant

assisted family units in the city of Hamilton. The highest number in a month during that 13-month period was four. Most months it was a zero or one per cent vacancy rate for assisted housing for family units. Seniors are a little better. It probably averages 80 or 90 a month over the period for 2.4 vacancy percentage over that period. That is low, as members are probably aware. Three per cent is considered an acceptable vacancy rate.

It should be noted that this state of low vacancy rate is not unique to Hamilton housing authorities. Vacancy rates for apartment structures of six units and over, privately initiated, have dropped from 3.1 in 1976 to 1.5 in 1980 in the Hamilton census metropolitan area. If we also take a look at what has happened to family units, in 1975, we had 2,721 in the Hamilton area. In 1979, we were down to 2,349. Actually in 1981 it is 2,255. We have actually seen a decrease in the assisted family units. The number of seniors' units has gone up fairly substantially. They have gone from 2,388 in 1975 to 4,340, but even with that we have a vacancy rate of less than three per cent in the seniors' units.

A summary of the findings in the report shows that family units administered by the housing authority alone have waiting lists that have increased almost 20 per cent. Vacancy rates are below acceptable levels. The inventories remain constant, with declining vacancy rates in apartment units and a decreasing inventory of assisted family units. We have a long list of complaints, but I will not go into them because I want to finalize very shortly. We have a long list of complaints in terms of the kind of point rating we have to get people in and an observation by the housing authorities in Hamilton that a lot of people with only 40 points in the system are probably in fairly dire need of assisted housing.

We also have problems in terms of the quality of life of the people who are reduced to this income level and to assisted housing. In the same study—I found it was disturbing but it ties in with what I am running into in my own area—I took a look at the utilization of social services, and I recognize we have a large number of single-parent families in these units, and also at gang activities, because we have had a problem with them for some time in the east end of Hamilton. I took a look at the crime statistics in the areas where people are living without adequate housing or income to deal even with the assisted housing we have and with a desperate need for additional housing.

In terms of disturbances in 1980 in one of the major study areas in my own riding, the Roxborough Park, Lang Street, Martha Street, Oriole Crescent survey, the utilization of the police force for disturbances was 36.04 per 1,000 population against a city average of 22.6. We had the same kind of situation with property crimes and other crimes. One soon realizes the ghettoization our housing policies have brought about in the city of Hamilton.

There are any number of things I would like to cover in this particular bill in the few minutes we have. The difficulty I find myself in is that while I can see some long-term value in a merger of these ministries, I have to tell you very clearly, Mr. Speaker, I cannot begin to see it in terms of the current lack of a real housing program in Ontario, given the rather desperate need these figures point up for a positive housing program for the people of Ontario.

It says to me there has to be a zeroing in and a question of priority in terms of people's housing in this province now. I fear if we were to combine the ministries we would find one used as the excuse for inaction in the other, when we really need priority put on the question of housing. It is for those reasons that I oppose this bill.

Hon. Mr. Bennett: Mr. Speaker, first of all, may I thank all the members who have spoken on this bill over the last couple of days of its presence in this House. I believe most members, when reading the remarks of the Premier (Mr. Davis) on May 1, when he indicated clearly there would be a new ministry of municipal affairs and housing, will have an appreciation of the reasons for our move in that particular direction.

Indeed, if we look over the remarks made in this House, not only in the current portion of the debate, but if we go back and look at the remarks made by members of various parties in 1978 when the municipal affairs wing was coming over from the Ministry of Treasury and Economics to the Ministry of Intergovernmental Affairs, there was a very positive response from the members of the opposition. With respect to remarks made by my colleague the member for Ottawa East (Mr. Roy), he said at that time—it is on page 5125 of Hansard: “I do not agree with the member for Ottawa South (Mr. Bennett) very often on many things. On this I agree with him.” He goes on to say—as he did again today—that he agrees with the formation of a ministry amalgamating housing and municipal affairs.

I listened to the remarks of the members of the Liberal Party and their views on the amalgamation. I suppose we all have some fears or concerns as to how amalgamation will take place and whether the amalgamation of those aspects of municipal affairs and housing will be compatible one with the other.

5 p.m.

When I was the parliamentary assistant to the Honourable Darcy McKeough, who reported for Treasury, Economics and Intergovernmental Affairs, I had the opportunity of working with most of the people like Eric Fleming, Gardner Church, Dick Illingworth and others in that portion of the ministry. I have had some long discussions about this amalgamation with them since May 1 and heard their views on the compatibility of melding the operations together.

I do not think there is any doubt in their minds there is a close tie-in. I do not think there is doubt in the minds of many of those at the municipal level either—whether it be the Municipal Liaison Committee or Association of Municipalities of Ontario or the various organizations associated with AMO—that the amalgamation, particularly of planning and housing with municipal affairs, will be a very close tie.

Most of the responsibilities in housing, particularly in the field of planning, are directly related in nearly all cases with the municipalities, either at the local level or the regional level. Our dealings with the Ontario Land Corporation, I would say in 90 per cent of the cases, are directly with the municipal councils. So I see the opportunity of the amalgamation of these two areas of government as being extremely compatible. I hope it would be rewarding in the programs they can bring forward over the next period of time.

The correspondence we have received in the last few weeks from the MLC, the AMO, the Small Urban Municipalities Association, from various municipal organizations, the chairmen's committee of regional government, and many other communities and individuals has been very complimentary about the fact there will be visibility of the municipal affairs portfolio in this province once again. Members have spoken about the fact that local representatives have complained that their presence in the Legislature was rather downplayed because of the disappearance of the words “municipal affairs” from any ministry name.

I look forward to the opportunity of working in the new ministry. I want to answer one or two

of the remarks directly related to the bill, and some directly relating to housing and its portfolio. There were some at the municipal level concerned—I suppose this always comes about with amalgamations—that if municipal affairs and housing are put together, since I was the Minister of Housing before I might let housing take the greater amount of my time and that of the staff. They were afraid housing would be the only concern of the ministry.

Then there were those involved with housing—as the member for Hamilton East has indicated this afternoon—who are concerned about the amalgamation with the ministry of municipal affairs; they were afraid there might be some downplaying of the importance of housing. It is not my intention to see either aspect of this ministry downplayed. We have some senior and competent staff in both areas of this ministry.

I am sure most members of this House at some time or other have had personal discussions with them relating to problems in their own political jurisdictions. I think of Mr. Milt Farrow, who has been extremely helpful to so many members around here in trying to resolve and understand some of the zoning problems. There is Eric Fleming; there is Ron Farrow in the Ministry of Intergovernmental Affairs who has helped a number of people. I could name others, as I mentioned earlier.

I offer the assurance that my interests will definitely be in trying to present a very strong positive case on behalf of the municipalities but not to the detriment of the area of housing. We will continue to try to deliver programs, in co-operation with the federal government, for the people of this province. There should not be concern that one is going to downplay or destroy the other.

The member for Etobicoke (Mr. Philip) proposes to add a section 4 which relates to an annual report. I have already indicated to him we are prepared to accept that amendment. The member for Beaches-Woodbine (Ms. Bryden) mentioned section 8(1) which states, “The minister may give policy and detailed operational direction.” I will offer an amendment to this bill which will eliminate the words “and detailed operational” because I believe it is not my responsibility. Clearly, the policy direction of a crown corporation or a board or authority rests with the minister and with the ministry, but the operational responsibility is that of the individual board or authority. We should have

the opportunity to review their situation; but it is our intention to delete from the bill the words “and detailed operational.”

The other point raised by the member for Beaches-Woodbine related to section 11, if I recall correctly. It reads, “The Minister may establish advisory committees to the minister and sub-committees thereto, appoint chairmen and members of such committees and sub-committees and fix the remuneration and expenses of the chairmen and members of the committees and sub-committees and the remuneration and expenses shall be paid out of the moneys appropriated therefor by the Legislature”.

I have looked over the amendment proposed by the member for Beaches-Woodbine and I think when the minister is in the process of establishing advisory committees, it is his or her responsibility. The minister appoints those committees to advise him and the others in his ministry as to the direction in which he should be going. They also advise him on programs, whether dealing with municipal affairs, housing, planning, land development, the land corporation or whatever else it might be.

It is my intention to reject the amendment being proposed for section 11. The minister has the right to appoint committees, and I think in the past we have appointed people and we have tried to give a pretty broad and comprehensive idea and suggestions in view—

Mr. Nixon: Why don't you make that speech on the amendment?

Hon. Mr. Bennett: I will then; I will be pleased to. I am just trying to oblige because I was asked by the member for Beaches-Woodbine to respond at this time.

Mr. MacDonald: New Tory patronage system, committee after committee.

Hon. Mr. Bennett: I beg your pardon sir?

Mr. Speaker: Proceed with your remarks.

Hon. Mr. Bennett: I had better. If the member who was making that remark looked at himself and some of the things that have happened over the last two years, he might be speaking from personal experience.

The Provincial-Municipal Liaison Committee has been supportive and is one of the organizations, with the Municipal Liaison Committee, that I sincerely hope will stay. I hope it will become very strong and positive in offering views and objectives on the new ministry and the programs we will introduce.

Another area I think is most interesting is the development at the moment of the Association

of Municipalities of Ontario and the complete amalgamation of most of the municipal associations into one body. It was indicated to me that we will have some subsections that will deal with all the municipal matters rather than have seven or eight all trying to present a different position on the same subject.

Referring to the remarks of the member for Etobicoke, we will still have responsibility for land use and land development. We can sit around this Legislature for many a day and debate whether the minister, or this ministry, or the Ministry of Agriculture and Food has allowed certain developments in the right location. I do not cast the responsibility back to the ministry staff but I certainly accept a great deal of their advice on appropriate land use for certain areas. That section of the ministry will not lose its importance in the amalgamation we are now going through.

The member for Hamilton East made some remarks relating to housing problems. Whether we are a single Ministry of Housing or amalgamated with municipal affairs, some of the problems we are confronted with in the marketplace today in housing are not going to be easily resolved. They are not likely to be resolved by a single force of government. It will likely take more of a collective position by ourselves and the federal government. Indeed I would think to some degree the municipal governments might also be involved in this situation.

The importance the ministry will play in better relations between this Legislature and the municipalities will be rewarding and positive for not only the municipal councillors—and I will speak on some of the issues such as the three-year term a little later on. Those will come as a bill sometime down the road. But overall I believe this ministry and the remarks we have had about it from the municipal leaders is one of a very positive view on the government's action. Indeed, it follows fairly well the views expressed by members of the opposition parties back in 1978. Thank you.

5:30 p.m.

The House divided on Mr. Bennett's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Barlow, Bennett, Bernier, Birch, Boudria, Bradley, Brandt, Breithaupt, Conway, Copps, Cousens, Cunningham, Cureatz, Dean, Drea, Eakins, Eaton, Elgie, Elston, Epp, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Jones, Kells, Kerrio, Kolyn, Lane, Leluk;

MacQuarrie, Mancini, McCaffrey, McCague, McEwen, McGuigan, McKessock, McLean, McNeil, Miller, F. S., Miller, G. I., Newman, Nixon, Norton, Peterson, Piché, Pollock, Pope, Ramsay, Reed, J. A., Reid, T. P., Robinson, Rotenberg, Roy, Runciman, Ruprecht, Ruston, Scrivener, Shymko, Snow, Spensieri, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney; Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye.

Nays

Breaugh, Bryden, Charlton, Cooke, Di Santo, Grande, Laughren, MacDonald, Mackenzie, Martel, Philip, Renwick, Swart, Wildman.

Ayes 87; nays 14.

Ordered for committee of the whole House.

Mr. T. P. Reid: Mr. Speaker, on a point of order: The New Democratic Party is getting paid for 30. Should its vote not be 30 rather than—

Mr. Speaker: That is not a point of order.

Hon. Mr. Wells: Mr. Speaker, with the consent of the House, before we go into committee of the whole, I would like to revert to "Motions."

Mr. Speaker: Do we have the consent of the House?

Agreed.

MOTION

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Hon. Mr. Wells moved that the standing committee on social development be authorized to sit this evening, Monday, June 29, 1981, at 8 p.m. for consideration of Bill 113, An Act to amend the Public Hospitals Act.

Motion agreed to.

5:40 p.m.

House in committee of the whole.

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING ACT

Consideration of Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing. Sections 1 to 3, inclusive, agreed to.

On section 4:

Mr. Chairman: Mr. Philip moves that section 4 of the bill be amended by adding thereto the following subsection:

"(7) The minister, after the close of each year, shall submit to the Lieutenant Governor in Council an annual report upon the affairs of the ministry, and shall lay the report before the assembly if it is in session or, if not, at the next ensuing session."

Mr. Philip: Mr. Chairman, this was a standard procedure with the Ministry of Housing. I am pleased that the Minister of Housing (Mr. Bennett) has indicated that he will accept our amendment. It is quite important that we have an annual report for each of the ministries, and I am pleased that the minister has accepted my amendment.

Mr. Epp: Mr. Chairman, we will be supporting this amendment. The minister has already indicated that he will accept it. But I find it a little difficult to believe the third party would be putting forward an amendment to a bill it voted against on second reading. The third party has clearly indicated it does not want to support this bill; yet after voting against the bill in principle it now wants to amend a particular principle. The member for Etobicoke (Mr. Philip) indicated earlier that he will not vote for political tinkering, and yet he is supporting a certain amount of tinkering here.

Irrespective of that, we will be supporting the amendment because we think the amendment makes sense. The Minister of Housing on previous occasions has given annual reports to the Legislature on housing, and this will incorporate the municipal affairs aspect as well as the housing aspect.

Ms. Bryden: Mr. Chairman, the member from the Liberal Party wonders why we voted against the bill and yet are proposing amendments. It is obvious that we voted against the bill because it provides no answer to the housing problem and the great shortage of affordable housing, and because it provides no answer to the crisis in municipal finance. We would have liked to have assurances from the minister that this sort of reorganization could produce answers to those, but we know that reorganization is not a way of solving those problems. There must be action from the government as well as from the provincial Treasurer (Mr. F. S. Miller) in the municipal finance field.

Since the bill is going forward, we feel it must be made a good bill. Any ministry should have an annual report. There is a great lack of freedom of information in this government, and the freedom of information bill has been stalled for probably another six months or a year before

it comes before us. This is all the more reason why we must have annual reports from all ministries so that the public as well as the Legislature will be informed of the facts and of the situation in the housing and municipal affairs ministry.

I think this government wants to keep the public in the dark. That is probably why the section was left out of the bill. I am glad my colleague moved its inclusion and that it was accepted by the government. At least that is one point we did win.

Hon. Mr. Bennett: Mr. Chairman, I indicated earlier this afternoon that the amendment offered by the third party was acceptable to us. The annual report can be submitted as we have done in Housing, as we have been able to do through TEIGA, Intergovernmental Affairs and so on. I have no reluctance whatsoever in accepting the amendment as proposed.

Motion agreed to.

Sections 5 to 7, inclusive, agreed to.

On section 8:

Mr. Chairman: Ms. Fish moves that section 8(1) of the bill be amended after the phrase "the minister may give policy" by deleting the phrase "and detailed operational" and then proceeding to "direction to that agency and the agency shall follow the direction."

Ms. Bryden: Mr. Chairman, on a point of order: We have not received copies of this amendment.

Mr. Nixon: All she is doing is taking words out. What do you need a copy of that for?

Ms. Fish: Mr. Chairman, it is an amendment that is by way of a deletion which I had understood was in order. May I explain the purpose of the amendment at this time?

Ms. Bryden: Mr. Chairman, will you provide the opposition with a copy of this amendment?

Mr. Chairman: I think we should do that. It would be sort of nice. Ms. Fish, could you arrange that while I read the amendment? It is to section 8(1), "Where, under this or any other act, the minister is made responsible for the administration of a crown agency or for the administration of an act relating to a crown agency, the minister may give policy and detailed operational direction to that agency and the agency shall follow the direction." It is to delete the phrase "and detailed operational."

Ms. Fish: Mr. Chairman, I would like to

explain the purpose of the amendment. I yielded for purposes of reading the amendment from the chair. May I continue?

Mr. Chairman: Quickly.

Ms. Fish: The purpose of the amendment is fairly straightforward. The entire section relates to the relationship between the minister and various crown corporations. It seems to me perfectly appropriate that the nature of the relationship speak to policy, but that in the case of crown corporations with appointed boards of directors for day-to-day management, the phrase "and detailed operational" should be deleted because that begins to intrude upon the appropriate realm of authority and jurisdiction for the respective boards to carry out, in their detailed operation, the policy guidance that is provided.

Ms. Bryden: Mr. Chairman, I am glad the minister has accepted this suggestion, which I made in my speech on second reading. I agree with the principle that the policy of a crown agency should be determined by the government and that the detailed operational direction should be determined by the crown corporation, subject to the guidelines laid down by the government in its policy direction.

However, I would like assurances from the minister that the policy direction which comes under this section will be referred to the Legislature for input by members of the Legislature in somewhat the same way as the Workmen's Compensation Board appears annually before a legislative committee. I did ask for that kind of assurance in my second reading speech, because I do feel that the Legislature must have considerable input into the determination of policy directions for crown corporations.

5:50 p.m.

Mr. Chairman: Any further comments? Do you have a response, Mr. Bennett?

Hon. Mr. Bennett: Mr. Chairman, I wish only to say in relation to the last comment by the member for Beaches-Woodbine that the annual reports from the crown corporations are filed in the same manner as they have been in the past and they will continue to be filed that way in the future.

Section 8, as amended, agreed to.

Sections 9 and 10, inclusive, agreed to.

On section 11:

Ms. Bryden: Mr. Chairman, I have already tabled my amendment with the clerk, the opposition and the government spokesman in this area. I would like it on the record.

Mr. Chairman: Ms. Bryden moved that section 11 be amended by striking out "chairman" in the second line and adding thereto the following subsection:

"(2) Where a committee or subcommittee is established under subsection (1) concerning a matter relating to municipal or local matters the minister shall solicit from municipal or local government associations concerned with matters to be the subject matter of committee consideration a list of persons holding public office as nominees of the said associations to be members of the committee or subcommittee.

"(3) Where a committee or subcommittee is established under subsection (1) concerning a matter relating to housing the minister shall solicit from associations, including tenant associations, within the province concerned with the subject matter of committee consideration a list of persons who are members of the associations as nominees of the said associations to be members of the committee or subcommittee.

"(4) When soliciting a list under subsection (2) or (3) the minister shall indicate the number of members that will compose the committee or subcommittee and shall request a specified number of nominees from each association concerned, the persons so nominated to be sufficient in number to constitute a majority of the committee or subcommittee.

"(5) Where nominations are submitted at the request of the minister under subsection (4) he shall appoint to the committee or subcommittee the persons nominated, and may appoint sufficient additional persons of his own choosing to make up the total number he has specified for the committee or subcommittee.

"(6) The members of a committee or subcommittee established under subsection (1) shall elect from its membership a chairman, and if the member elected is a member of the committee or subcommittee by virtue of his nomination by an association the minister shall appoint an additional member to the committee or subcommittee, which additional member shall be nominated by the same association.

"(7) The minister, upon establishing a committee or subcommittee under subsection (1), shall establish the term of office of the members.

"(8) Any member of a committee or subcommittee established under subsection (1) who is on the committee or subcommittee by reason of a nomination under this section may be removed from the committee or subcommittee by his nominator, and the nominator may appoint another person to complete his term of office."

Ms. Bryden: Mr. Chairman, I spoke to the reasons for this amendment on the second reading. I wish to add briefly that I think it would open up advisory committees to represent a wide cross-section of the province. The minister has said that he should have the sole authority to choose members of advisory committees. Of course, one of our main reasons for taking away part of that authority is to end the system where it has become part of the Conservative patronage system.

The other thing I think the minister should bear in mind is this is simply asking that 50 per cent plus one be appointed on the nomination of agencies representing the organizations interested in these fields. The minister would still be able to appoint the other 49 per cent from his own choices, so that he would still have a considerable representation and voice in the advisory committee. Of course, I also said that he does not have to accept the advice of an advisory committee. It is simply to sample opinion and to get input from the public on policy. Therefore, I think it would be a step forward in getting better policy that represents the wishes of a majority of people in the province.

Mr. Epp: Mr. Chairman, I will be brief. We do not believe this particular amendment will enhance the legislation and we will, therefore, be opposing the amendment. It is our feeling that the minister should have some prerogatives. If he is going to appoint the advisory boards, he should have a chance to appoint the majority of the members of those committees.

Hon. Mr. Bennett: Mr. Chairman, during the second reading, I indicated very clearly, knowing there was an amendment being proposed by the member, that I would not accept the amendment. I think the Liberal representative from Waterloo North has clearly indicated that when the minister has a responsibility of appointing a committee it should not be directed that he is going to have a committee reporting to him that will be composed of a greater number of people from an outside authority than from within the ministry itself.

Obviously, if one is going to appoint a committee, one will select the individuals. Indeed—

Mr. Martel: Then you get the answers you want.

Hon. Mr. Bennett: No, because I tell the member for Sudbury East (Mr. Martel)—he will never get the opportunity to find out—there are many occasions when committees report back to a minister and have situations that are rather interesting and do not always follow the philosophy or the theory of the minister, or indeed, of the chairman.

Mr. Chairman, on behalf of the government, I do not accept the amendment that is being proposed.

Mr. Chairman: Those in favour of Ms. Bryden's amendment to section 11 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 11 agreed to.

Sections 12 to 18, inclusive, agreed to.

Bill 67, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with amendment.

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 129, An Act to amend the Workmen's Compensation Act.

Hon. Mr. Elgie: Mr. Speaker, last week on Wednesday and Thursday I introduced certain documents relating to the Workmen's Compensation Board: first of all, a white paper outlining directions that the government sees as reasonable with regard to reform of the workmen's compensation system, unless there is good argument not to proceed in those directions.

Mr. Speaker: I direct the minister's attention to the clock.

Hon. Mr. Elgie: Thank you, Mr. Speaker, I will just finish my opening remarks now. Do you want me to stop?

On Thursday I introduced proposals with regard to interim amendments, and I will end my opening remarks on that note.

The House recessed at 6 p.m.

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Ontario.

No. 63

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, June 29, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 29, 1981

The House resumed at 8 p.m.

WORKMEN'S COMPENSATION AMENDMENT ACT

(concluded)

Resuming the adjourned debate on the motion for second reading of Bill 129, An Act to amend the Workmen's Compensation Act.

Ms. Coppins: Mr. Speaker, I rise to support the government's initiative on Bill 129, and I support it not with full, wholehearted support, but with partial support.

I feel there are some good initiatives in the bill. I feel it is about time the government recognized that the temporary total and partial pensions as currently awarded by the Workmen's Compensation Board should take into consideration the inflationary period we have suffered in the last couple of years.

I also feel that the annual review of pensions and temporary total payments is something that should be considered, but I will defer to the White Paper on the Workers' Compensation Act in the understanding that is going to be dealt with at much greater length in committee this summer and it will be something that we hope will become a reality next fall with the introduction of new government legislation regarding the Workmen's Compensation Act.

This legislation has been long awaited by many workers in Ontario and by many disabled workers in Ontario. The attempt to bring the payments up to the level of inflation over the last couple of years is an admirable one, and I hope the government will incorporate this recognition of the factor of inflation into all future legislation.

I do, however, have certain reservations about the bill which I would like to point out in passing. As a party, we intend to support this legislation, but we want to point out that we feel there are certain deficiencies in the legislation. One of the very first and most glaring deficiencies is the amount of money that is paid to the widow or widower of a worker who has lost his or her life through a compensable injury.

Under the new legislation I am happy to see that the government has increased to a certain extent the amount of payment of full benefits to

a widow, but the increase will bring a widow's full pension up to only \$5,904 annually. We do not feel this figure, which comes in under the \$6,000 mark, is representative of the kind of contribution that workers of Ontario are expected to make.

In my riding, as in the ridings of many of our colleagues, I have widows whose spouses have given their lives to a company—they have been killed in the service of their work—and we do not feel that a compensation rate of less than \$6,000 recognizes the kind of contribution made by the worker or by that work and does not recognize the kind of remuneration that should be paid to a worker's spouse.

The instance of a spouse who is too old to gainfully re-enter the work force and is expected to live on less than \$6,000 a year is not acceptable to this party, and I do not believe it is acceptable to the government.

I reiterate, we are supporting this legislation because we feel it is a first step in the right direction. We are hoping that in the continuance of the White Paper on the Workers' Compensation Act the government will come in with a more equitable picture for widows and for workers who are injured, either partially or totally, on the job. We are not happy with the widow or widower provision for the sole dependant.

We also take some umbrage with the decision in section 3(3) that the increase according to the cost of living will be awarded only to those who have been receiving temporary disability benefits for the past 24 months. In my understanding, under the previous legislation it was allowed to all of those who had been on temporary total benefits for a consecutive period of 52 weeks, but here we have a situation where the government seems to be increasing, from 52 weeks to 24 months, the period following which a worker would be entitled to these inflationary increments. We feel that this increase should apply to all workers regardless of the amount of time they have spent on temporary total layoffs.

In the Workmen's Compensation Board representation to the standing committee on social development fairly recently, it was pointed out

that in some instances there is the odd case where a worker who has been on temporary total benefits for a number of months goes back to work in an effort to try to reintegrate into the work force, finds he or she is unable to do so and is then forced to carry on with temporary total benefits. Under this legislation and under past legislation, that person would not be eligible for the inflationary increases because he or she would not have been out of the work force for a 24-month consecutive period.

There is also some dispute whether the 10 per cent awarded effective July 1, 1981, represents the rate of inflation. We feel the workers should be awarded a sum equivalent to the rate of inflation, but we are forced to support the bill because we feel in this case half a loaf is better than none. We do not feel we would be solving anything or helping the injured workers in Ontario were we to oppose the legislation.

I am happy to say I believe section 5(1)(a) recognizes that situation by setting a base level for workers' payments; that is, instead of introducing the general mode of 75 per cent of a worker's earnings, the government has chosen to recognize 100 per cent of earnings that are \$156 a week or less. This is a recognition of the kind of problems workers, particularly those in lower-paid categories, face when they are disabled and unable to carry on with their earnings. Naturally, we would prefer that this minimum level were increased, but we are prepared to support the government in its initiative—

Mr. Laughren: Are you on the left wing of the Liberal Party?

Ms. Copps: I am a member of the Liberal Party who cares about workers in Ontario. Having had many workers in my riding who have been faced with the kind of disability problems dealt with in this bill, I am happy to say we support the government's recognition that there should be a basal minimum where workmen would not receive 75 per cent but should receive the full amount of their earnings. In some instances, when one has a worker who is being paid at a rate of \$156 a week or less, the tax-free benefit of the 75 per cent obviously is no use to him. In most instances, they have little or no taxable income.

We feel the government has attempted to recognize this in the legislation. We would prefer that the basal amount were increased, an idea that I think is entertained in the Weiler report, *Reshaping Workers' Compensation in Ontario*. In the White Paper on the Workers' Compensation Act, recently introduced, the

government is prepared to take a look at increasing the basal amount to 90 per cent of a worker's net income, rather than taking into consideration the quality of gross income and allowing it to be tax-free.

We feel this is a more equitable situation. We are prepared to go along with this legislation as long as it is made clear to the government that it is interim legislation and that is the spirit in which it has been introduced.

We also feel the permanent total disability ceiling, which has been raised to \$686 a month effective July 1, 1981, is not an acceptable ceiling. We do not feel this government can expect any worker in Ontario who is totally and permanently disabled as a result of a work injury to have to live on \$686 a month. We do not feel that is an amount that recognizes the contribution of workers in Ontario. We will be pushing for an increase in that amount with the white paper.

By allowing the amount of temporary total disability to be set so low, the government is not recognizing the contribution of workers in Ontario. That is another area where we would have to find fault with the bill. Again, I stress the fact this is intended to be an interim measure. I hope and expect that, come the fall, the government will be coming in with some more progressive legislation.

8:10 p.m.

I also want to point out that we have some difficulty with section 7 of the bill, in which the application for clothing allowance is going to be increased to an amount not exceeding \$290 per annum for replacement or repair.

The situation we find ourselves in at this time is not so much finding fault with the amount of the clothing allowance, but finding fault with the fact that it is awarded upon application. If I may speak from personal experience, I know that many workers in my riding are not aware that they are entitled to a clothing allowance until it is brought to their attention, sometimes by their member of the Legislative Assembly, sometimes by a legal advocate in the area of workers' compensation. I do not feel that the onus should be upon a worker to apply for a clothing allowance if he or she is forced to wear a brace and suffer wear and tear on his or her clothing.

It should be incumbent upon the Workmen's Compensation Board to contact workers and make known to them the benefits available to them on an annual basis and, I might add, in several languages. Although notice is sent to

workers periodically about the benefits to which they are entitled, many of these workers are not that knowledgeable in the English language and oftentimes have to rely on a translator or an advocate to fight for their rights and their points of view. I think it should be incumbent upon the Workmen's Compensation Board and the government to inform workers in several languages that they are entitled to these benefits and they do not have to be received upon application.

Those are the points I wanted to make on the bill. I am not totally happy with the amount of the inflationary increases allowed. I am particularly unhappy with the provisions made for widows. Having received intercessions in my own constituency office from widows who are struggling to make ends meet, I feel we are not being fair as a Legislature to women whose husbands have lost their lives in a compensable injury when we ask them to survive on \$492 a month. In view of the fact that for most of us that amount of money is less than a lot of us receive on expense accounts and expense allowances, I suggest it is certainly not justifiable in this day and age to ask widows of workers who have died on the job to live on \$492 a month. That is my major objection.

My other objections have been noted throughout. I do not feel that the 24 months' span for temporary total disability should be applicable. I think it should be applied across the board and even in terms of the numerical calculations in the compensation board. When groups are divided into temporary totals of 24, 12 or six months, it creates a lot of accounting problems. I think all those problems could be avoided if we applied an increase across the board.

This caucus will be supporting the principle of the bill in the hope that it is an interim measure and that there will be much more radical, justifiable and just increases coming for workers in September when the recommendations of the White Paper on the Workers' Compensation Act in some parts are recognized and brought into legislation.

Mr. Laughren: Mr. Speaker, it is always with mixed feelings that I rise to debate a Workmen's Compensation Act series of amendments. But one of the things I always feel good about is, when I look around at the caucus, whether we have five members in their seats or whether we have all 21 or, as in the previous parliament, all 33, that every single one of them is capable of putting together a very sensible, logical and comprehensive critique of the Workmen's Com-

pensation Board. The government should be so lucky to have the members we have with their expertise on workmen's compensation—

Interjection.

Mr. Laughren: The Liberals may not like that, but I want to say I look forward with relish to the Liberals supporting the amendments we shall put when we move to committee, because I do not think there is anything unreasonable about those amendments. When the member for Niagara Falls (Mr. Kerrio) rises in his place to vote for our amendments, I am sure he will do some sweating—

Mr. Kerrio: Don't hold your breath. You are going to be in big trouble.

Mr. Laughren: Nevertheless I am sure, given the remarks of the Labour critic for the Liberal Party, that we can count on the support of that party for these very decent amendments we intend to put, which will make life a little more civilized for injured workers in the province.

I will not dwell on the timing of these amendments. Every time I am staring at amendments I know it is either late June or late December, because that is when this government brings in amendments to the Workmen's Compensation Act. They bring them in when there is inadequate time for debate, and they know full well that the opposition is going to support the legislation because, even though it may not be as much as the injured workers of this province deserve, it is all they are going to squeeze out of this government.

We are going to support the legislation, but not without misgiving; it is partly because of the Weiler commission report that is going to come down and partly because of the white paper that the minister has tabled and is available for debate over the summer. I presume the minister will take into consideration the responses to it before he drafts new legislation.

I am always pleased to debate legislation that has such a clear class bias. Even the Workmen's Compensation Board admits the board is in place to provide compensation for the working class of this province; it is not there to provide compensation for those people who occupy the comfortable pew in Ontario. It is fine for the Workmen's Compensation Board to admit that, it is fine for the Minister of Labour (Mr. Elgie) to deny that; but that is exactly who the Workmen's Compensation Board is for. It is one of the reasons we have so much difficulty with the administration of the board and with the level of benefits provided by the board.

It is no accident that the administration of the board is a nightmare. It is not because we have not learned how to process claims in a sophisticated and electronic society. We know how to do that. The board has access to the finest computers in the world, but it can still screw up an inordinate number of claims. It is no accident that if any worker is going to be able to substantiate a claim he has to be a doctor, a lawyer or an industrial hygienist before he is going to be able to compete with the people sitting across the table in the appeal system. There is no doubt about that. It is clearly class-based legislation, and in the past it has not served injured workers well in Ontario.

We are going to make some amendments to this legislation. We intend to adjust the death benefit payments to a more reasonable level—

Hon. Mr. Elgie: To 90 per cent?

Mr. Laughren: No, I am talking about the lump sum to the dependent spouse.

We are going to increase the disability pension that is available to people who are injured, going all the way back to 1971, because obviously the nine per cent that the minister puts in there simply does not contain an adequate catch-up for injured workers. We picked 1971 for a couple of reasons: first, because it is a nice, round 10-year time span and, second, because it encompasses the Davis years beautifully. We think it is time people were served notice of the way the Davis regime has treated injured workers in Ontario.

I have been a member of this Legislature since 1971, that same length of time, and not a single issue comes remotely close to workmen's compensation, not a single issue occupies a tenth of the time in my constituency office in my riding. My constituency assistant, who is extremely capable, spends up to 90 per cent of her time dealing with the administrative malaise of the Workmen's Compensation Board.

8:20 p.m.

I suspect that members on the government side also spend an inordinate amount of time on workmen's compensation cases if they live in an industrial area. Of course, they would have to represent working people to have those problems but, if they do, you can be sure they spend time on workmen's compensation cases. I have been in the committees when the board and the Minister of Labour have appeared before the committee, and I certainly heard government members complaining bitterly about the treatment of injured workers in the province as well.

Through our amendments we will also recommend an increase in the minimum for temporary disability. We will recommend an increase in the total permanent disability level, as the minister would have it. By doing that, we hope to make life a little better for injured workers. We will also raise the ceiling along the lines that Professor Weiler recommended.

I hope when the minister responds, rather than pull into the debate the red herring of 90 per cent of gross versus 70 per cent of net, that he will tell us—

Hon. Mr. Norton: It's just the reverse of that.

Hon. Mr. Elgie: It's 75 per cent of the gross and 90 per cent of the net.

Mr. Laughren: I am sorry, yes. I thank the minister for straightening me out.

Hon. Mr. Norton: We have other suggestions for you if you'll accept them as readily as you accepted that.

Mr. Laughren: I do not pretend the minister has solved all my problems yet.

I hope the minister will tell us how, in his free-enterprise soul, he justifies workers who get injured on the job being penalized financially in any way. We have made very clear that we respect mostly people who make contributions to society; in particular, we respect people who make contributions through their labour. People get uptight about people on unemployment insurance, people who do not want to work; we have all heard that line. If one believes in that and wants people to go to work and to do the dangerous and dirty jobs, then how does one justify penalizing them in any way at all if they get injured on the job?

I hope the minister can explain that to me. It is a straightforward question. I have never been able to come to grips with that question, why the government refuses to agree to that principle in principle. For example, as long as there is a ceiling of \$22,200, which this bill proposes, then one will obviously penalize some people as well as some people who are not even at the ceiling.

I have never understood how those great free enterprisers can believe people who get hurt on the job should be penalized financially. It is more than a financial penalty. Injured workers suffer a great deal in their family relationships and in their standing in the community as a whole; it goes beyond money.

I do not know how the minister can justify what his government does to injured workers. It is not only what they put injured workers through to win an appeal or to obtain any

justice. Even if there is no question about the claim, if everything goes smoothly and there is no hitch in the processing of the claim and the worker gets exactly what the legislation entitles that worker to get—even if all that happens, there is still a penalty imposed on injured workers in Ontario. I do not know how the minister justifies that.

When I see the member for Algoma-Manitoulin (Mr. Lane) sitting over there in his comfortable pew, I think of what this government has allowed to happen to the miners at Elliot Lake.

Mr. Lane: They are happy.

Mr. Laughren: Yes, sure they are happy. Perhaps I could send to the honourable member some of those who have come to me out of the mines at Elliot Lake who cannot get a job in any other mine in Ontario because they were exposed to radiation in the mines of Elliot Lake. Will my friend guarantee those workers a job?

Mr. Lane: They mostly come to me, and they get looked after well.

Mr. Laughren: Never mind the nonsense. Will my friend guarantee those workers a job? The answer obviously is no.

Hon. Mr. Elgie: You don't have the solutions; you just have the problems.

Mr. Laughren: No. I have the solutions, and I certainly intend to get to them. If the minister had been able to attend the recent hearings of the Workmen's Compensation Board in the standing committee on social development, he would have been more aware of our solutions than he apparently is tonight. I realize he had other commitments in the Legislature, but the fact remains that at that committee hearing our alternatives were put very clearly to the committee.

I hope that the minister when he stands up will explain to us how he justifies a financial penalty on injured workers in the province. First of all, I assume he will accept the fact that there is a financial penalty—

Hon. Mr. Elgie: No.

Mr. Laughren: Oh, he does not accept that there is a financial penalty? Perhaps I need to enlarge this debate a little more and expand on my views.

In the bill, the minister talks about raising the ceiling from \$18,000 to \$22,200. Perhaps the minister can make a note of this. If a miner, a construction worker or someone in the forest industry through hard work is earning \$28,000 a

year, and that person gets injured on the job, perhaps the minister can tell us that person is not financially penalized because of an injury. Is that what the minister is telling me?

I almost called the minister a worker; that would have been a serious mistake. The fact is, the minister cannot deny that as long as there is that phoney ceiling, then there are going to be workers penalized.

There is a very simple answer. The minister said a few minutes ago that all I was doing was giving the problems and no solutions. I moved a private member's bill here a couple of years ago—and I have raised it in committee—about the Saskatchewan formula whereby, as soon as 10 per cent of injured workers who make claims against the board exceed the existing ceiling, that ceiling is bumped up in units of \$1,000. That is not a complex formula. It is being done. It is fair to injured workers. Yet the minister sits there and says there is no financial penalty to injured workers.

Either the minister does not know the act he is supposed to administer or he is misleading us. Perhaps when he rises he could explain whether he is misleading us or whether he does not understand the act, because those are the two alternatives if he claims injured workers are not penalized in Ontario. He has a choice. I hope he will do that. That is an amendment that we intend to move.

The previous speaker talked about the clothing allowance. That may not seem like much to the minister, but I do not know how he can justify an injured worker having to subsidize out of his own pocket the replacement cost of clothing that is worn out or has to be replaced because of a prosthesis. I do not know how the minister justifies that. Why not just have replacement costs? No, he has to have this arbitrary figure that he, in his wisdom, sets. I do not know how he justifies that. That is a penalty against injured workers as well.

We are moving the amendments for a couple of reasons. One is that we think the existing bill continues to be mean in spirit and is simply not generous enough; we think there is no excuse for a worker losing income when he gets injured on the job.

As well, there is no excuse for a bill like this to be before the Legislature. How outrageous that injured workers in the province should have to sit out there injured and wait for a debate in this House to determine whether they are going to get an increase as though that was not their right.

The injured workers are sitting out there wondering how the debate will end or if it will end now. They are wondering whether we will be able to get higher increases for them, as though the Minister of Labour should have that right to determine what an injured worker should receive. It should be automatic.

As long as the level of income, the civility with which we treat injured workers, is dependent upon the whim of a Minister of Labour, then it is wrong.

Does not the horrible thought strike the minister that the bully-boy of the Ontario Legislature, the member for Scarborough Centre (Mr. Drea), could some day be Minister of Labour? Injured workers would starve to death in the province with that bully-boy in as Minister of Labour. Yet that is what he is saying.

As long as it requires a separate bill of the Ontario Legislature, it is at the whim of whoever sits in the seat of the Minister of Labour. That is wrong. How does the minister justify that? I hope the minister will tell me when he replies—when he is finished talking to somebody over there—how he justifies having injured workers wait for a bill to come through the Legislature, at the whim of the Minister of Labour, to determine whether to keep up with the cost of living.

8:30 p.m.

When I talked earlier about injured workers being penalized financially, I was talking about the given level of benefits at any given time. But as time erodes that, as inflation erodes the level of benefits, it is a double whammy. I get the impression I am going to have to speak more directly to the Minister of Labour, because he is not paying any attention. I will speak right to him.

Maybe the minister can tell me about a worker earning, for example, \$28,000, who gets hurt on the job, is totally disabled and will then earn 75 per cent of his income. "But it is tax-free," says the minister. What he does not say, at least very clearly, is that it is now based on the ceiling of \$22,200. So it is not 75 per cent even of \$28,000; it is 75 per cent of \$22,200. It is bad enough that he has done that to the injured worker. A year from now, with an inflation rate of 12 to 13 per cent, it will be eroded even further.

Why should the worker be subsidizing inflation? Why should the injured worker be eating inflation? I am sure it does not bother the Minister of Labour very much, because in every speech he makes he talks about how much

concern he has but, when it comes to translating concern into legislation, there seems to be a hiatus.

I want to know from the minister if his officials have ever done any kind of estimate on how many injured workers are drawing social assistance of one kind or another. How many of them are receiving some form of welfare assistance? The Minister of Community and Social Services (Mr. Drea) is not here tonight, is he? But the former minister is, and I wonder how that minister would have felt about having injured workers draw upon the budget of the Ministry of Community and Social Services. I do not know how many there are, but we can be sure there are some.

I want to know how many dependants of workers killed on the job are living below the poverty line. That is what I want to know. How can the Minister of Labour stand up there proudly and say, "We have one of the best compensation systems in the world,"—that is what he says—and at the same time explain to me how it is that dependants of workers killed on the job can be living below the poverty line when they would not be if the worker were still alive?

Does the minister understand that question? I am going to repeat it, because he is talking to the bully-boy of the Ontario Legislature, the Minister of Community and Social Services himself. He put on a brilliant performance this afternoon. He is an embarrassment to his whole party and certainly to the cabinet. He can swagger in here if he likes and, when he does not know an answer, bluster and call people—

The Deputy Speaker: Order, please, Mr. Laughren. You are being awfully provocative this evening.

Mr. Laughren: He did not know the answer; so he blustered and swore at people.

The Deputy Speaker: Speaking to the bill.

Mr. Laughren: Mr. Speaker, it is obviously a long time since the minister had to make ends meet or he would not talk in such a stupid fashion about the people he is supposed to be looking after in Ontario.

I will ask the Minister of Labour—I will ignore the other minister, because he is out to lunch—how many people in Ontario there are who are dependants of workers killed on the job, who are living below the poverty line and/or who are drawing any kind of social assistance. When the minister can answer those questions, then I will believe he has studied this

matter carefully and is bringing in benefits in keeping with need, with some relation to need. But I do not believe he is. I do not believe he knows.

Mr. Mancini: You know he cannot answer that question.

Mr. Laughren: No, I do not know he cannot answer that question. I presume he does not bring in amendments with specific dollars attached to them unless he knows they are based on need. He is not the Minister of Community and Social Services; he would not do that. The Minister of Community and Social Services would do it, but surely not the Minister of Labour.

I would ask the Minister of Labour, is there no rationale at all, is there no sense in that ministry that it is time the private sector or the public sector—if that is the employer—should pay their share when workers get injured? Is there no sense that they should pay their share for the injured worker and for the dependants when that worker gets killed? I really wonder why the minister is so reticent about bringing in decent levels of benefits.

I know the pressure the minister is under. He has the Canadian Manufacturers' Association, he has the chambers of commerce and the Ontario Mining Association telling him, "You keep those levels down."

I would ask the minister: Does he not think that an adequate level of compensation benefits might be a very good incentive for good working conditions on the job, for good, safe working conditions? I want to tell the minister if he had the kind of compensation benefits to injured workers that he should have, he would have employers in Ontario a lot more safety minded than they are now. There would be less of a drain on the public purse through people drawing from the Community and Social Services funds and he would end up with a safer work place in the province.

He will not do that. He always succumbs to the pressures to keep assessments down in the private sector. That is fundamentally wrong. That is why we say to the minister again and again that we do not believe the answer is simply to increase benefits. We do not think it is that simple.

What we have said to the minister is that there is a better model. We say there is a need for a comprehensive social insurance system in Ontario which says that regardless of where people are hurt and irrespective of fault, they will be compensated for their injury.

Let us face it, a person gets up in the morning

to go to work. If they get hurt before they leave their home or if they get hurt on their way to work or if they get hurt just outside the gates of work, it is all tied in with getting to work. To say that one can make this arbitrary and phoney distinction between people injured on the job and people injured somewhere else is a relic of the past. Virtually every person or group who carefully studies this matter comes to that conclusion. The people who look at it superficially do not. They think they just see a bureaucracy in place and it frightens them.

When one talks about the select committee on company law, where we had to look at it, members should have seen the change in the views of members from all three parties on that select committee on company law; how their views changed. I am not saying they are all immediately going to embrace this concept, but members should have seen how their views changed during hearings on sickness and accident insurance and how they became much more open about the need for this kind of system.

The Wodehouse commission in New Zealand looked at it and came to this conclusion. Saskatchewan had a white paper on it, Manitoba had a white paper on it. They all came to the same conclusion. I am very anxious to see the conclusion Paul Weiler comes to, and whether or not he comes to the same conclusion.

The point I am trying to make is it seems that whenever someone looks at this problem carefully—because there are many more people injured off the job than on the job—it seems they come to the same conclusion: that we have to end those phoney distinctions and put into place a comprehensive system. In Saskatchewan they have recommended that there be a comprehensive system.

Mr. Mancini: Is that the law now?

Mr. Laughren: No, it is not law now. They were costing it out this past year and it is anticipated it will be brought in.

Mr. Mancini: It took them a whole year?

Mr. Laughren: It took them more than a year. I would be quite happy if the Minister of Labour says it would take a year. I would not hassle him at all. I would be willing to have him set up a royal commission. I think it requires very careful study. It is not something anyone should rush into, but I believe it is the answer and I believe the Minister of Labour should, at some point, appoint either a royal commission or

some kind of study to really look at this thing very carefully. We are not going to solve the problem with the existing system.

The minister knows himself that we have changed chairmen of the compensation board, we changed from an old building to a new building, we changed from a horizontal filing system to a vertical filing system and nothing changes. We brought in more computers. We decentralized the board and still the problems go on.

8:40 p.m.

As a matter of fact, the minister who just came in knows of the problems with the compensation board. Every new Minister of Labour who is appointed says the same thing, "I am going to straighten out that compensation board." I can hear them muttering it to themselves as they go to sleep at night.

Hon. Miss Stephenson: I don't mutter.

Mr. Laughren: Yes, I heard that when the minister was in Chapleau she was even muttering about changing the compensation system in Ontario. When the present Minister of Labour (Mr. Elgie) came in he too muttered about changing the board and making it more humane. I was told that is what he was muttering just before he went to sleep one night. But he still has not done it.

If he were to bring in a system like this he might be able to free up some funds so that the Minister of Community and Social Services (Mr. Drea) would be able to provide an adequate level of support for the people he is supposed to be representing, the people he sneers at and regards as so much riff-raff. That is what the Minister of Community and Social Services does, and it did not take him long to lose his credibility as a minister in that portfolio.

I will conclude my remarks. But I ask the minister to tell us, when he replies at some point this month or next, how he justifies the fact that injured workers who receive, to use my example, \$28,000 a year and end up receiving full compensation are penalized under his system—it is his economic system, not mine—and how he justifies that kind of behaviour on the part of government, because he is condoning it by bringing in this kind of legislation.

Mr. Kerrio: Mr. Speaker, as my associate has suggested, we are going to support this bill for the simple reason that this party is definitely in favour of doing everything that can be done for an injured worker.

I take exception to the fact that the very last time we were debating such a bill the member for Downsview (Mr. Di Santo) spread grossly unjust accusations about my participation in the bill. When I challenged all those Socialists to point out in Hansard where comments were made they fell on their noses, as they did in the election. They came up with nothing. They continue to do it, and they touch half the bill without ever addressing themselves to some of the real facts of life, as I propose to do now.

They talk about the great realm of Saskatchewan and all the other great socialistic states where all these great and wonderful things are done, and I imagine that what those Socialists do first is to print their own money four or five years before they go bust.

In such a bill as we have before us tonight I agree wholeheartedly with what the minister is attempting to do, and I would suggest that no worker who is injured should ever have to live on any less money than he did when he was on the job.

In fact, I will go a step further and suggest that workers should be covered whether they are injured on the job or on their way to the job or on their way home. But then the minister would be on the horns of a dilemma, because then he would have to address himself to something I have asked for since I came to this Legislature: that a fair amount of the cost should be picked up from the public purse, simply because there are many areas where one hurts a small business.

Mr. Laughren: Ah, now the truth comes out: less for the businesses to pay. We thought he would get to that.

Mr. Kerrio: The honourable member would not understand that at all, so he should not interject.

Large businesses can take any kind of assessment one puts on them and pass it through and the public picks it up in the end. That is the easy way to do it. There are literally hundreds of small businesses out there that are borderline. These assessments do not come out of profits; they come out of the fundamentals that a small company has to work with.

I suggest to the minister, in all fairness, there should be an enlargement of the scope where a worker or anyone is covered. Your leg is just as broken if you break it on the way to work as it is if you break it on the job—there is no question about that. But I suggest the minister has never addressed himself to that problem, because then

there would have to be some assessment made of a fair share to be paid from the public purse.

I say with due respect, there are many areas and many small companies with a clean bill of health relating to accidents in the work place which have paid assessments over the years and which are suffering. What we are doing now is adding a burden, like some of the built-in pensions with built-in increments of increase that are being handed on to the next person. Those are great things to do and we should do them, but we should make certain the charges are put in the proper place.

I suggest more assessment has to be made on the profits raised from large corporations coming into the public purse so we do not put an immeasurable and infinite pressure on small companies that are in bad shape and can ill afford to pick up extra costs at this time. It has nothing to do with the content of the bill. I said that the last time. I stand here and again say clearly that I want widows, injured workers and people to be looked after in this country.

I really resent the fact the Socialists twist those words around and use them to their own ends to suggest that because I represent business in any way I am being unfair to an injured worker.

Mr. Laughren: We've seen how you have voted over the years.

Mr. Kerrio: I will tell the member for Nickel Belt, he does more riding on the backs of the workers than anybody else in this whole Legislature and they have carried him a good long distance, sometimes to their detriment. I suggest to him this is very often the case.

The comments I have made are justified. They should be considered by the minister. They have been considered many times in the past but nothing has been done about it. It is due time those considerations were made. We should not toy in the bill with what we give the worker. My concern is in two areas: One, any worker should be paid whether he is hurt on the job or not and, two, we should participate in a meaningful way because it is very easy, and is typical of some people, to make great and wonderful laws as long as somebody else picks up the tab.

That is the message I gave before. It is clear and concise this time. I challenged those people to take that from Hansard the last time and I challenge them again this time. We support the bill. I just wish the minister would address himself to the questions I raised about the

funding and try to be fairer to some of the small businesses that cannot afford to carry some of the burdens placed on them when in many instances they are not responsible. Society should be prepared to pay its fair share.

Ms. Bryden: Mr. Speaker, I would like to add my confirmation to what my colleague the member for Nickel Belt has said about the shocking inadequacies of the present workmen's compensation legislation in this province. I would particularly like to protest the fact that workers have to wait for the whim of the government before they get increases in the benefits to which they are entitled.

We got the old age pension and Canada pension plan indexed largely as a result of the action of the New Democratic Party during a period of minority government in Ottawa. Unfortunately, we have not yet succeeded in getting workmen's compensation benefits indexed in this province. What it means is, when the workers have to wait for a bill of this sort to come in, they have been suffering a steady cut in their standard of living between the various whims of the minister and the government. The employers who pay the assessments and who are responsible for the accidents are being subsidized by the workers during this period.

A great many of my constituents are in the construction trades. Because of the nature of their work and the inadequacy of government enforcement of safety standards, many of them unfortunately suffer injuries and even death on the job. Others work in industries where they are exposed to hazardous substances and other dangerous conditions. As a result, a great many of them come to my office for assistance with workmen's compensation claims. They come because they do not appear to be getting the kind of justice to which they should be entitled if they are involved in an industrial or work place accident.

8:50 p.m.

It would appear they come because the attitude of the board is to save money and to keep compensation down in order to keep assessments down. It would appear the attitude of the board is that workers are not entitled to be compensated to the full extent of their financial and physical loss. Certainly the present legislation, as my colleague has pointed out, leaves them with a considerable gap between their actual loss and the amount of compensation they receive.

These workers did not ask to be injured. They do not really control the conditions under which they work, even under the new occupational health legislation. The principle of workmen's compensation should be that a worker who is injured should be compensated so that he is no worse off than he was before the accident. If he needs retraining, special clothing or special appliances he should get them, whatever his needs are and for as long as he needs them, because none of these would have been necessary if he had not been injured.

Second, he should be restored to his opportunity to earn a living and to support his family on the same standard as he was able to before the accident. That is one of the greatest deficiencies in this act. It does not provide for that kind of restoration of earning power. Once the board decides that a worker is able to go back to light work, he is cut off compensation. But there may be no light work available, either in his previous work place or in the labour market generally. The board takes little responsibility for helping him find light work.

It seems to me the real answer is to put the onus to provide light work on the employer where the accident occurred. In most operations there is often work which is not being done because the employer thinks it is of marginal value. But if he had to provide light work for injured workers he would probably find jobs that really needed to be done—perhaps he did not think it was financially wise to institute them. It does not have to be featherbedding. He can find jobs in his establishment that would be creative and would probably increase the efficiency of the establishment.

In the event he has no possibility of finding meaningful light work for injured workers, it seems to me it would be logical to ask him to pay an extra assessment to provide funds for a job-finding agency in the board. We must guarantee that workers who are injured get back their opportunity to earn their full standard of living that they had before.

I was glad to see the member for Niagara Falls (Mr. Kerrio) endorsing what has long been NDP policy, that people should receive compensation for injuries regardless of where they happen—

Mr. Kerrio: It has always been my policy.

Ms. Copps: He started it.

Ms. Bryden: I think we should extend the principle of workmen's compensation legislation to all citizens who suffer accidental injury. There would have to be funding from some

source other than employers, but I think all of us should share in the cost of compensating people who suffer accidental injury.

I regret we have to wait every time for increases of the sort we are getting. Naturally we are supporting the bill, because we want the workers to get even the minimal increases in this bill. But there are a great many increases that fall short of what they need in order to restore them to the position they were in before the accident. Therefore, I hope we will have new legislation or that the new bill in the fall will greatly improve the situation.

Mr. Mancini: Mr. Speaker, once again we have placed before the legislative chamber a piece of legislation that could be described as patchwork, and not very good patchwork at that.

We have sat in this chamber for the past several years and for a while we watched the former Minister of Labour (Miss Stephenson) showing her concern for injured workers and talking about their needs. Yet whenever the time came to do something about it, she fell short of the mark. For the past two years we have had a new Minister of Labour who on every available occasion rises and shares his concern. He puts himself in the forefront of people who have concerns, yet the only time he has a chance to put his concern into action, into something injured workers can feel and use to carry on their livelihood, he also falls short.

I want to know from the Minister of Labour—and I see the Minister of the Environment (Mr. Norton) is interjecting—

Interjection.

Mr. Mancini: That's right. It does hurt, Mr. Speaker. It does hurt when the government steals nickels from the injured workers. It certainly does hurt.

The minister and I both know this legislation increasing benefits to injured workers falls short when compared to the rate of inflation over the past couple of years. It certainly does. So I ask the minister, after he has made the injured workers wait for a far longer period than they should have, why does he chisel nickels and dimes from them? There is really no justification for it.

Mr. Wrye: Tell him to keep the promise.

Mr. Mancini: That's right. We need to keep the promise, as my friend the member for Windsor-Sandwich (Mr. Wrye) has said. The government spent the whole month of February and the first part of March telling the people of

Ontario it would keep the promise. Yet the first opportunity they get to introduce some form of legislation for people who are totally defenceless, for people who cannot fend for themselves any longer as far as working in our society is concerned, they fall short of the mark. They fail to keep the promise.

Interjections.

Mr. Mancini: The member for Nickel Belt (Mr. Laughren) is one of the 30 who are speaking at the present time.

I want to know from the minister why it is taking so long for comprehensive changes to the Workmen's Compensation Act and to the operation of the board. The minister told us before Christmas, when the Weiler report was tabled in the House, that an internal review committee, with some outside help, would be reviewing the Weiler report and that comprehensive changes would be made. What we have before us now is patchwork.

I wonder why the Minister of Labour—a person who is always the first in this House to express his concern, always the first to say that he cares, always the first to say things need to be improved as far as legislation concerning injured workers and other labour area legislation is concerned—I wonder why this minister has no answer to the question: why is he willing to bring before this chamber this type of legislation.

9 p.m.

What he is doing is similar to what the former Minister of Labour did. She cajoled the House, she tried to pacify things and she tried to look concerned. After a while she was shuffled off to a new job. That is what is happening to the present Minister of Labour; he is trying the same tactics. We are getting tired of that over here. We are getting tired of cabinet ministers being appointed to such sensitive posts as Minister of Labour, responsible for the Workmen's Compensation Board, telling us time and again that actions are forthcoming; that the Weiler report, for example, will have certain changes brought forward to the operation of the Workmen's Compensation Board.

He will pacify us. During the last session we saw how good the abilities of the Minister of Labour were in pacifying people. He had the whole front row of the New Democratic Party almost silent concerning labour legislation and workmen's compensation problems. He had the Sudbury members eating right out of the palm of his hand.

Mr. Kerrio: They have never been more silent since they got here.

Mr. Mancini: They had never been more silent than in the past 12 months since the Minister of Labour assumed—

Mr. Boudria: They were in bed together; that is why.

An hon. member: Now they are back with 30 members.

Interjections.

Mr. Mancini: That is right. That is one of the reasons the New Democratic Party is back with 30 members—because they were so silent in the past 12 months.

I know it is getting late and it is almost July 1. I know some of the New Democratic Party members have told me they want to stay around for those nickel hot dogs that are being served on Wednesday, as well the 10-cent ice cream.

Mr. Speaker, we stand before you again and lay the same arguments before you. We tell you again that the legislation governing injured workers is piecemeal. As an increase it falls far short of the mark compared to inflation. Yet we have to stand here and support the legislation. We have to give the injured workers at least what the government has proposed. We certainly cannot deny them that.

Even if there is going to be a cabinet shuffle late next fall, and even if the minister is going to be removed from his sensitive post, he had an opportunity to change a long-standing problem which troubled the people of Ontario and which affects seriously the injured workers of Ontario. I am sorry to say that he has decided like his predecessor to use the strategy of speaking in a nice manner, saying he is concerned—

Interjections.

Mr. Brandt: Might as well sit down; it is all over.

Mr. Mancini: That is right. The member for Sudbury East (Mr. Martel) was one of the members from Sudbury who at the time was eating from the palm of the Minister of Labour. He fell silent for more than a year. Any time the Minister of Labour said, "Jump, you are my tacit ally," the member for Sudbury East said, "How high?"

Mr. Speaker, I say to you that the Minister of Labour has probably lost his opportunity, his one chance, to change and to make the laws governing injured workers more fair, because we know, come this fall, he will be shifted from that sensitive portfolio and a new Minister of Labour will be installed and we will get the complete runaround again.

The new minister will appoint an internal

committee to study the committee that studied the Weiler report and will go around and around, and two years from now will be introducing another bill, similar to Bill 129, which gives a basic percentage increase to the injured workers and improves a few other benefits, but falls far short of the comprehensive changes we need in the laws governing the Workmen's Compensation Board.

We need changes that will streamline the system, that will shorten the length of time for appeals. We need changes that will make more advisers available to defend injured workers at their hearings. We need changes that will improve their benefits. I could go on and on. We are not going to get that from this particular Minister of Labour, although he had the chance to present to this chamber such legislation. It is sad, but we have to accept what is put before us, because we certainly do not want to deny the injured workers of our province the increase the government wishes to give them at this time.

Mr. Di Santo: Mr. Speaker, I would like to speak briefly on the amendments proposed by the minister, and I hope to make more sense than some other colleagues who spoke before me.

We have been critical of the Ministry of Labour and the Workmen's Compensation Board, because for many years this government has not been able to understand that Ontario is changing. This is no longer the agricultural province it was when the Workmen's Compensation Board was introduced. In fact, today we have a system that is no longer the best, as some of the Ministers of Labour—and some of them are present in the House—used to say. It is at the point that the minister himself has recognized it needs a total shakeup.

Despite that, using the tactics that this government uses whenever any change has to be introduced, the minister is trying to gain time. He appointed the Weiler commission in January 1980 and in November 1980 we had the first report. Last week, the minister tabled the white paper and some time in 1982 there will be some legislation. There will be a commission that will analyse and investigate all the presentations that will be submitted to the minister, and eventually, three or four years down the road, there will be some changes.

We know it is not difficult to reshape the system if there is a political determination on the part of the government, but we know that political determination is not there, not even when we have some proven cases like two

months ago when we discussed the report of the Ombudsman that made a proposal that was sensible, a proposal dictated by common sense. Section 41 of the Workmen's Compensation Act, which was the basis of the dispute, was interpreted by the Workmen's Compensation Board in a way that practically penalizes most of the injured workers who are recognized as having a partial permanent disability. The Ombudsman, using common sense, said that was wrong. He said: "Whenever the Workmen's Compensation Board assesses a disability it must take into account not only the clinical feature of the injured worker but all the circumstances that make him disabled and incapable of working or returning to the labour market."

9:10 p.m.

Despite the fact that was a very limited change in the structure of the Workmen's Compensation Board the government members voted against that recommendation. That is why I am very suspicious of the proposals the government has—the white paper and the legislation that will result from the white paper.

Tonight we are discussing limited amendments to the Workmen's Compensation Act. Even on this occasion the government is proving there are two types of justice in our society. There is one type for those who can fight and another for those who cannot—those who are defenceless or vulnerable, those who cannot lobby or apply pressure on the government and ultimately those who have no electoral weight.

The amendments not only do not compensate injured workers properly, they fall far below the increased cost of living from 1979 when the last amendments were introduced. That is particularly regrettable. We know how inequitable the system is of setting the pensions for injured workers. In 10 years the pensions of injured workers will be the only ones in Canada that have fallen below the cost of living by a very large margin. In fact we have calculated that between 1971 and 1981 injured workers lost 39 per cent despite the present increases.

There is no correlation at all between the pensions of injured workers and the average industrial wage or the consumer price index. Neither is there any correlation with any other mechanism used in our society to ensure that groups—be they pensioners, MPPs, industrial workers or whatever—can regain what they lost because of inflation.

Today, with these amendments, we will still have widows receiving \$447 in July 1980 and

\$492 in July 1981. Even if the minister did not want to listen to us—even if he disagrees with the idea of a general insurance scheme along the lines of the one we are proposing—he could have listened to Professor Weiler. A general insurance scheme was adopted not only by New Zealand—mistakenly we often say—but in many other industrial countries as well in different ways. On this point the minister has the opinion of Professor Weiler.

I think if he had moved the widows' pensions up to a decent level there would be nobody in this chamber who would oppose that decision—if nothing else because it is based on human understanding. I think it will be very difficult for the minister to justify the \$492 to a widow who has lost the main breadwinner in the family in most cases and who suffered not only an economic loss but also a loss in terms of human dignity, of human relationship within and outside the family. She should not be penalized by receiving only \$492 a month. I think there is no justification at all. I do not understand how the minister can stand up and say this is reasonable; it is not.

I do not think the minister can even tell us that, at this point in time, if we increase the pension there would be an increase in the assessment of the companies as our colleague the member for Niagara Falls (Mr. Kerrio) quite mistakenly says. In the last three years, there has been no increase at all in the assessment.

He is a fine fellow but he is misguided and misinformed, unfortunately. There has been no increase at all in the last three years in the assessment. I think that with the cost of living increasing the way it is increasing and since there has been no increase in the assessment of the employers, the minister, if he had the political determination, could have found the money necessary to give the injured workers decent increases.

What is most depressing in this bill is the fact that the minister at this time does not address one of the single fundamental questions that the injured workers are complaining about and have been complaining about for a long while. This bill does not change at all the situation of those injured workers who are partially disabled and who are unable to get back into the labour market; not through their fault but because the rehabilitation department of the Workmen's Compensation Board does not work. Actually, it is a mockery despite the fact that the Workmen's Compensation Board tells us that they were able to find 3,000 jobs last year and 2,700 or so in 1979.

All of us know that many of the injured workers are placed back with the financial assistance of the Workmen's Compensation Board. After a while, when the assistance decreases, they are laid off by their employers because at that point it is not convenient for them to pay decent wages for what now is cheap labour. The minister does not address this very important issue that is becoming an increasingly insufferable burden for thousands and thousands of partially disabled injured workers.

With the present amendments, the minister does not say anything about the assessment itself and the way the doctors operate. We know the horror stories that we are dealing with every day when we go to the Workmen's Compensation Board when we are assisting our constituents in their appeals at the board. All of us know that no matter what the opinion of the family doctor is, no matter what the opinion of specialists chosen by the injured workers is, the final word always rests with the so-called consultants of the boards. We know that in some cases the opinions of the doctors of the boards are self-serving and against the best interests of the injured workers, which means against justice.

We support this amendment to the act because it is necessary but it is an act of despair. The injured workers are out there and for two years they have not received a one penny increase. We think this is shameful. I want to tell members that we will be pressing and will keep pressing the government—

Interjections.

Mr. Speaker: Order. Proceed Mr. Di Santo.

Mr. Di Santo: I understand some of my colleagues may not be interested in what we are discussing but I speak—

Hon. Mr. Elgie: Are you talking about your own colleagues?

Mr. Di Santo: I did not single out the member for Niagara Falls, as I did last year when he made disgraceful remarks in this House. I said my colleagues in general, because I think this is an issue that is important not only for the constituents for whom we speak, but it speaks directly to the political will of this government to bring some justice to a system which the government itself recognizes is unjust and inequitable.

9:20 p.m.

Mr. Mackenzie: Mr. Speaker, I will be exceedingly brief. I do not intend to comment on what is needed in the Workmen's Compensation Board. I think that has been covered tonight,

and I hope we will get a crack at that and not have to wait as long as another year and probably longer, as seems to be the case with some of the things we wait for from this government. I cannot help thinking of toxic substances. I hope we do not wait as long for proper changes in the Workmen's Compensation Act as we have waited for legislation to protect us against toxic substances.

I do, however, simply want to ask a couple of direct questions of the minister. I would like to ask why we do not get an increase that fully makes up for increases in the cost of living. Unless I am doing some incorrect figuring, my figures indicate that in the two years since the last increases we have had about a 23 per cent increase in the cost of living. I do not see that kind of increase—unless I am figuring incorrectly—in the figures that are shown here. For a dependent widow or widower, \$410 a month to \$447 a month is nine per cent, and \$492 is another 10.1 per cent. That to me is 19 per cent. It seems to me that not only have they had to wait two years for an increase, but we are shortchanging them almost four per cent.

There is something wrong with that. I would like to know why we take so long to bring about an increase in money that is desperately needed by these people, and then when we do we really are nickel and diming by not meeting the full cost of living increase, which is the minimum that we should be moving in a bill like this. If we are not prepared to make the changes that are needed generally, at least these people should be keeping up with the cost of living. I would really like an answer from the minister as to why they are not.

Mr. Martel: I am going to be extremely brief as well, Mr. Speaker, but I could not resist the comments from the member for Windsor or some exotic place (Mr. Mancini) about my relationship with the minister—

Mr. Cooke: Essex South, not Windsor.

Mr. Martel: Wherever he might come from.

Mr. Cooke: They threw him out of Windsor.

Mr. Martel: If we were to get beyond the bill and deal with the problems we could be here for a week. I hope the Weiler report will change some of it. What bothers me more than anything is that it takes two years for an increase, because while some of us can afford to wait a second year—the last raise goes back two years—people who are on low incomes or fixed incomes or who are partially reliant on increases cannot afford to do so.

I really get amazed when I see us giving a raise. We make it retroactive, and that is fine. But the working-class people who do not have a lot of income really feel that pinch every year. They are affected most by the increases in inflation. For us to wait two years—and it is a pattern—is irresponsible. That is why my colleagues and I will move an amendment tonight to try to make some automatic changes, because we do not think it is just to wait two years for those increases.

People on \$30,000 incomes, of course, might not find it as difficult to survive as people on very small fixed incomes either from pensions or from the board. I just think it is totally perverse that we have to go a two-year period. It seems to me it is time we moved to an annual adjustment so that people could keep up with the ravages of inflation. So although these raises are welcome, we will move some amendments to try to increase them to make up for the times when people have lost.

The adjustments we make always remind me of family benefits. In family benefits we took an arbitrary figure a number of years ago and we have been adding percentages to it over the years. But we have never gone back to deal with the real costs at the time those rates were established, and the same applies to the Workmen's Compensation Board. We have not picked up the slack period for a number of years when there were no raises; we have simply added on.

Although those rates take into account to some degree the rates of inflation, what we have not done is to go back to those years where we did not give raises to make up for the period lost. We are simply adding on to what was inadequate at that time, without making the adjustment necessary to make up for the period when there were no adjustments.

My friend the Minister of Labour will probably argue that these are legitimate, we have six or seven years' experience, but we have never gone back for that long period when pensions were not adjusted. I think Dr. Bounsall used to indicate the rate that was lost over those years was something like 38 or 39 per cent. The figure may not be quite precise, but we have never made up for that hiatus when we did not give raises. We might find it a lot simpler to accept the amount if that period were adjusted now. Then we could say, yes, we will settle for nine or 10 per cent, but to add nine and 10 per cent on to something that was allowed to be devastated over a number of years is irresponsible. Therefore, we have some difficulty in adding eight or

nine or 10 per cent over two years, because of what was not accounted for in the period we did not make those adjustments.

Let me say, finally, I still have great difficulty in understanding what in the hell the compensation board is all about as it pertains to back problems. This is not in the bill, but I want to tell the minister that I continue to be frustrated dealing with at least 20 cases a week, most of them with back problems. As far as I am concerned, the knowledge that prevails at the Workmen's Compensation Board pertaining to back difficulties would fit in a thimble. Its whole attitude to people with back difficulties would also fit in an equally small thimble.

We are not changing it. I well recall a member sitting on the back benches a number of years ago and indicating that he thought the amount of knowledge pertaining to backs was limited. I hope this minister will recognize that problem and do something very dramatic at the board.

Mr. Laughren: He might listen to that former member.

Mr. Martel: He might listen to that former member, who was a back-bencher at one time, and do something very dramatic about back difficulties, because they all lead to pensions, as the minister knows. They also lead to all the psychological problems and so on. Nothing has changed in respect to that since the minister who now occupies that chair became minister.

I have great hope that will change, because I think when it does all of us in this Legislature who represent industrial workers will find many of those problems will disappear. If we get some people at the board, top-notch orthopaedic surgeons and neurosurgeons who know something about that field and have some empathy for the workers, if we could get an attitude that would change at the board, many of the problems of the workers, and those of us in here who represent them, would disappear. I would urge this minister to do something about that very serious problem.

Mr. Speaker: Does any other honourable member wish to participate? If not, Mr. Minister.

Hon. Mr. Elgie: Mr. Speaker, my remarks will be brief. If I may, first of all, I would like to clarify the matter of the amount we propose the interim pension benefits be increased. I would ask particularly the member for Hamilton East (Mr. Mackenzie) and some others who have questioned me about it to refer to the consumer price index of April 1981, Statistics Canada,

where it says quite clearly that the average annual increase in cost of living in 1979 was 9.1. In 1980 it was 10.1. Rounded out that comes to nine and 10, and compounded that comes to 19.9. If they look through the various increases they will see that, on average, they come out to about 20 per cent.

So I am not sure where people are getting the figure of 23 per cent, because that is the way these increases have been approached over the years. That is the way it was approached in 1974 when 10 per cent was given, in 1975 when 11 per cent was given, and in succeeding years when the cost of living has been matched according to previous years. One cannot base an average cost of living index on only part of a year. One has to go the full year if one is going to take the average for the year.

9:30 p.m.

Mr. Mackenzie: Six months behind.

Hon. Mr. Elgie: That is the only way one can do it, to look back at a previous full year's average. That is what has been done in the past and there is no attempt to deceive anybody on it. If the member will refer to those figures, he will see it is exactly what we have done again this year.

These are interim amendments and I made that quite clear. Originally, members will recall that Professor Paul Weiler in his report felt that, if the kinds of changes he was recommending were being considered, it seemed inappropriate to introduce further interim amendments because there were numerous problems he had pointed out in the benefit structure of the board and those problems had to be corrected rather than perpetuated.

Since two years had elapsed, since the task of translating a philosophical point of view into legislation was clearly not an easy one and required explanatory material so no one would be able to say the whole matter had not been clearly understood prior to the government considering major reform, I felt in view of those factors—the time and the fact it is a totally new act we are thinking of with major revisions—further amendments were indicated at this time.

The member for Hamilton Centre (Ms. Copps) talked about widows' pensions and she is quite right. That is an area that Professor Weiler zeroed in on quite appropriately as an area that has to be addressed. He zeroed in on the area the member for Nickel Belt (Mr. Laughren) talked about, the need to have a higher ceiling so a greater number of people earning higher levels of income are adequately compensated.

He also zeroed in on the fact there are a large number of people on permanent partial pensions who have never suffered any income loss. For those people, these benefits we are introducing tonight will be stacked. They will be added on to a situation where a large percentage of people have never suffered an income loss.

I do not say that in any critical way. That is the way the legislation was established many years ago. It is one of the inequities Professor Weiler pointed out. There is a great need, in his view, to use those funds to increase the benefits for widows and dependants and to increase the overall benefits including the ceiling level.

I kind of resent the member for Nickel Belt saying this is all we can squeeze out, since it follows exactly the cost of living index. It hardly looks to me anything like squeezing.

The member for Hamilton Centre commented about the temporary total increases that occur only after 24 months. I know there is no reason why she should know it, but if she will look at section 41(a)(1) and (2) she will see the act already has built into it—not in the bill, but in the act itself as last revised—a 10 per cent increase after 12 months.

I imagine for the person it is now 10 per cent after 24 months because we are finding there are many people on temporary benefits for more than 12 months. Incidentally, the 10 per cent after 12 months was introduced for the first time two years ago in recognition of the fact that was a problem area. The member is quite right.

I am advised by the board with regard to the member's question about clothing allowances that the adjudicators do advise on the entitlement to that. If that is not what she is finding, clearly we should know about it, because as far as the board is concerned adjudicators do advise pensioners of their entitlement to that.

The member for Nickel Belt is back on his old class-based system and he knows I do not accept there is a class system in society. I think we have a mobile society with the right to move up and down. My parents did it. I do not know what my friend is trying to establish in this society, but that is not the way it is built, in my view, and that is the way this party sees it.

An hon. member: Divide and conquer.

Hon. Mr. Elgie: Divide and conquer is the old rule.

I am shocked by the member for Beaches-Woodbine. I say that with respect because that is a riding near and dear to my heart. I am shocked she should say, "Employers are responsible for accidents." They sometimes are, but

that was the very essence of the reason that great Canadian and Ontarian, former Premier Sir James Whitney, introduced workmen's compensation in 1914.

It was so that workers who were responsible for their own injuries would not be left without anything, while those with accidents that were the responsibility of the employer would benefit totally. I am surprised and shocked that the member should try to use that phrase to try to divide society again. That is something this party does not accept but I know it is part of her philosophy.

"Payments at the whim of the minister" is also a rather odd thing for her to say. If we look back over the past few years, payments have always been made. They may not have been made on an annual basis but they have been made retroactive when there has been a delay. I think this whim business is something that is good for rhetoric but it really does not mean very much.

The member for Essex South (Mr. Mancini) is concerned about the delay with Professor Weiler. I would ask him to get out his slide rule, and if he really looks at it he will see there is no process that has moved faster, from the day Professor Weiler was appointed to the fact that we now have before us a white paper covering a proposed bill, comments on each of the principles Professor Weiler suggested and costing. I will tell my friends in the House that I do not know anything that has moved so quickly. I know the member had to say that for his own reasons, but let us not—

Mr. Peterson: Do you know any reasons?

Mr. Martel: Only one of them.

Hon. Mr. Elgie: I know the member is sitting beside the potential leader of the party, who is getting very noisy at this hour. We understand that too.

Mr. Peterson: Fortunately, you will never lead anything.

Hon. Mr. Elgie: I may lead something but it will not be what the member is talking about.

I am very grateful for the support that has been indicated. I am a little distressed because I understand there are going to be some amendments proposed which in some cases recommend 90 per cent increases and on average recommend 56 per cent increases in benefits. I think that shows a degree of irresponsibility in the face of the major recommendations that have been tabled in the white paper, but I am prepared to have those given the consideration they deserve.

Mr. Martel: Mr. Speaker, before you call this bill, is the minister prepared to comment on back injuries? Obviously, he is not. He is ducking it.

Hon. Mr. Elgie: I did not see the matter of back injuries mentioned in the interim benefits bill.

Motion agreed to.

Ordered for committee of the whole House.

House in committee of the whole.

CONSOLIDATED HEARINGS ACT

Consideration of Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Sections 1 to 4, inclusive, agreed to.

On section 5:

Mr. Chairman: Ms. Bryden moves that section 5(2) be renumbered 5(2)(a) and the following be added as section 5(2)(b):

"The joint board shall take into consideration:

(i) all of the acts under which the hearing is held and the regulations under the acts, and

(ii) all public policies related to the undertaking and the joint board may approve an undertaking only if the undertaking satisfies the criteria for approval under each of the acts referred to in clause (a) and policies referred to in clause (b)."

Ms. Bryden: Mr. Chairman, speaking to the amendment, the purpose of this amendment is to make absolutely clear that when the joint board is rendering a decision or issuing an order, it will consider the acts under which the undertaking would have come if there had not been a joint board set up. It will consider the regulations of those acts as well. In other words, if an undertaking would have had a hearing under the Environmental Assessment Board and under the Ontario Municipal Board and perhaps under the Ontario Water Resources Act or one of the other acts in the schedule, it would consider those.

9:40 p.m.

When a joint board is set up it holds a hearing, but the hearing has to be in accord with the terms of those acts under which there would have been a hearing without Bill 89. We want to make sure the precedents will be taken into consideration as well as the general public policies for the undertaking which were envisaged in the acts under which the undertaking normally comes.

We want to be sure the joint board will approve the undertaking only if it satisfies all the criteria under each of the acts referred to. It may not satisfy the criteria for only one or two of the acts—in the cases where there are three acts involved it must satisfy the criteria for all three acts or all of the acts that are involved in the hearing under the joint board setup.

Mr. Charlton: Mr. Chairman, very briefly, a concern was raised a number of times during the course of committee hearings on this bill by a number of groups that made presentations. If there were convened joint board hearings under two or three acts, the tendency would be to hand down a decision based perhaps on the weight of the decision. For example, if the board found in favour of two of the acts under the hearing being satisfied then perhaps they would render a decision on the basis of two out of three.

The minister along with his staff attempted to assure us this was not the case. However we felt quite strongly it should be clearly spelled out in the act so there would be no mistakes or misunderstandings, especially in terms of people being appointed to boards in areas wherein they had not had a lot of experience with a combination of acts. None of the participants in hearings—proponents and interveners and opponents—should be confused about what the outcome had to be based on. Basically, all the acts involved in a joint hearing had to be satisfied before any favourable decision to go ahead on a proposal could be made.

Hon. Mr. Norton: Mr. Chairman, I am in such a popular spot in this Legislature I can hardly see the other members, let alone hear them or even hear myself think. It is not my height that is the problem, I would say to the member for Sudbury East (Mr. Martel).

I will speak against this specific amendment but in favour of the principle embodied in it. As has been already indicated, during the course of the earlier committee deliberations on this piece of legislation there was some concern expressed with regard to the matter of whether the standards under each act would be observed by the board in arriving at a decision. I think it was indicated at that time that certainly was the intent of the act. I and my staff drafted an amendment which I have now circulated—I think at least the critics have it—which I think embodies well the first part of the amendment that is before us in the name of Mr. Swart.

I would take exception to the second part of Mr. Swart's amendment because it is largely

unnecessary. It is clear in the legislation the board would have to follow provincial policy. If it was his intention to extend that principle to all possible levels of government—municipal and otherwise—policies reflected in the acts of each of them, I would have to take exception to that. I am not sure the board would be in a position where it could do that and still adhere to all of the principles set out in all of the acts it was applying and also be certain to adhere to provincial policy.

I would hope that provincial policy is not in conflict with itself but there certainly might be a situation where there would be a provincial policy which might be in conflict with a particular local policy. It would be impossible in that situation for the board to resolve it. I think it has to be clear that the board would be required to adhere to provincial policy.

I, therefore, have to oppose this amendment and hope the honourable members will find acceptable the amendment I will introduce once this one has been dealt with. I believe there is one other prior to mine.

Mr. Swart: Mr. Chairman, the resolution to section 5 as proposed by the minister is unsatisfactory to me and my party. We both have referred to it—and I apologize that it is somewhat out of order because this has not been moved yet—but it was referred to by the minister.

His resolution states that the standards and criteria under an act, specified in a notice under section 3 that relates to the undertaking specified in the notice, apply with necessary modification in respect of a decision that may be made by a joint board under this act.

We can accept that, but it does not really deal with the concerns we have here and the concerns that many other groups have—that if the joint board is dealing with two or three acts it is going to weigh in balance one against another. It might be very apt to make a decision which would be different from decisions which would be made by three separate boards which would be hearing this.

In fact, when three separate boards are holding a hearing those boards have a veto power. If it is dealt with first under the Planning Act, and it turns it down, that kills the project. If it is dealt with under the Environmental Protection Act and is turned down by the Environmental Assessment Board then that in effect kills the project. If it is dealt with by the Niagara Escarpment Planning and Development Act

and turned down by that body that could kill it—although that fits into a little bit different category.

What our amendment here attempts to do is to make it clear that any decision which is going to approve an undertaking or approve an application must have the support of the criteria in the acts and the regulations in all of the areas with which it deals.

We are concerned that this will not take place. I am sorry I was not here to speak to this before you did, Mr. Minister, but it was brought on rather quickly. I would like to have had the opportunity to answer this. It seems to us the stated intention of the legislation is that it must conform with each of the acts to receive approval and with each of the criteria, the policies of the government, and if one of them is not met then approval is not given. But in no place in the act can we see where this is stated. The result is there is going to be imbalance, one weighed against the other, and I suppose a majority decision; if it conforms with two or three of the acts, they will rule in favour of the one it does not conform with.

9:50 p.m.

We cannot see how the present act, unless this amendment is incorporated, will ensure that the decision will conform with the act, the regulations and the policies of each section it is dealing with, such as the environment, the zoning or the policies and the regulations under any of the acts. We think our amendment is reasonable. It does not take anything away from the act; in fact, it implements what I understand to be the intention of the act, which is not included in the act elsewhere. I would be pleased if the minister could make any further comments in this regard. We feel strongly about it in this party.

Hon. Mr. Norton: Mr. Chairman, this whole issue of the fear about a majority decision is something that was discussed in committee, and I think the honourable member was there. I simply do not understand how that is likely to be the case. Clearly the decision has to be the decision of the majority of the members of the board. But the decision cannot be based upon taking three different acts, juggling them and saying, “We have reached two out of three; therefore, that is a majority and we approve it.”

It seems to me to be perfectly clear in the legislation, and it will be even more clear. My proposal to introduce an amendment is not an acknowledgement on my part that I think there

is any lack of clarity in the bill as it stands now. It really is a concession to those who felt there might be a greater degree of clarity, in order to satisfy the members of the opposition who had a concern as to whether our intention was honourable. In fact, we would take that extra step in an attempt to satisfy their concern.

Otherwise, I think it is perfectly clear in the bill that all the acts apply and that if there is not an approval, at least under the Environmental Assessment Act, that meets the standards required under that act, then there is no approval. If there is not an approval under each of those acts, if the board is not in a position where it can make that decision, then there will be no approval to go ahead with any proposal.

Mr. Swart: It does not say that.

Hon. Mr. Norton: I think it does say that, with great respect, in so far as the acts will apply. I think my proposed amendment will clarify that even further.

I know the chairman is maybe hopeful that I will not stand and respond each time others speak, but I just want everybody in the House to know, particularly those of you over there, that we have survived for a long time in this government on the basis of hard work and stamina, and we still have those characteristics, along with honesty and integrity and so on. I am quite prepared to carry on with you folks right through to September.

Mr. Chairman: Is this speaking to the amendment?

Hon. Mr. Norton: Well, not quite, Mr. Chairman.

Mr. Chairman: I did not think so.

Hon. Mr. Norton: I thought when I was listening to the debate on second reading of the Minister of Labour's bill that many people were missing the obvious principle. The matter of principle that was obviously afoot there was simply to see who had the greatest staying power in this chamber and who was going to hang in longest and—

Mr. Chairman: Mr. Minister, let us speak to the amendment. Are you concluded now?

Hon. Mr. Norton: Yes.

Mr. Chairman: Thank you. Mr. Charlton.

Mr. Charlton: Mr. Chairman, I will be brief. Perhaps I could grab the minister's attention for a moment. I think the minister has perhaps not fully grasped the concern that has been raised.

The concern is not really that if the joint hearing board was considering a matter that fell

under the jurisdiction of three acts it would all of a sudden totally disregard any one of the three acts. I think our concern has been suggested in a number of different ways. Assuming under the first two acts considered the proposal gains favour and satisfies the criteria under those acts, after one has gone through that process and has a single board hearing that board, being a collection of human beings—one, two, three, five, 10, however many we end up with—is influenced by the process it has already been through. They are influenced in the way they view number three as they are going through it.

All we want in this legislation is that things are spelled out so clearly and precisely that there are no mistakes in terms of how that last piece will be dealt with. We are not suggesting the government or any member of any board intends wilfully to totally disregard any one of the pieces of legislation under a hearing. It is just that the vague way the process is set out in this act will allow people to be influenced by the part of the process they have already been through.

Mr. Chairman: Those in favour of Ms. Bryden's amendment to section 5 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Chairman: Mr. Charlton moves that section 5(4)(b) be amended by adding the following words after "hearing" in the second line so that the paragraph will now read: "The joint board may direct that the matter or part deferred be decided without a hearing if the joint board is satisfied that in the circumstances a hearing would not be required or would be dispensed with under the act specified in the schedule or prescribed by the regulations that, but for this act, would apply in respect of the undertaking."

Mr. Charlton: Mr. Chairman, we had a fairly lengthy discussion about this section in committee. The minister proposed an amendment which was carried by the committee which, although a step in the right direction and an improvement on the original paragraph, we felt was still too vague and opened up another set of questions about what a controversy was under this act.

Instead of spelling it out, as he did in the original draft in section 5(6), he went out with his staff and found totally new wording to use in

section 5(4)(b). I will refer members to section 5(6) which deals with the same matter and deals with those circumstances under which a hearing may not be held or a matter may be decided without a hearing.

It is our firm opinion those same conditions, those same criteria, those same reasons for a matter being decided without a hearing should be set out in this paragraph of subsection 4 so there is no misunderstanding; so that in terms of the procedures under this act we are consistent and the way in which the procedures are set out is consistent, so that people will not assume that in this case the procedure is totally different from the procedure as set out under subsection (6).

10 p.m.

Mr. Swart: Mr. Chairman, the principle here is basically the same as that in the previous amendment we moved. The principle is that although there is going to be a joint hearing all of these safeguards and all of the directions with regard to hearings that are in the individual act should be followed here.

The proposal by the minister, the proposal by the justice committee, does not follow the procedures that existed under the previous act. If a section of the matter is going to be deferred to some other body they may by this act hold no hearing if, in the opinion of the joint board, the matter apart is not in controversy. I am not just sure what "controversy" means in this instance. It may not be in controversy at that time; it may very well be in controversy if there is going to be a hearing on it. Therefore, we ask why it should not be dealt with in exactly the same way as it would have been under the previous act. This is in fact what is done under subsection 5. What is the difference between here and subsection 5?

My colleague from Hamilton Mountain (Mr. Charlton) has taken the exact wording out of subsections (5) and (6) and transferred it to 4(b). Surely if it is good enough for subsection (6) it should be good enough for 4(b). It should conform with the acts that were previously passed by this Legislature and the regulations that were previously legislated by the minister. Why now deviate, why now water down—because it is going to be a joint board—the right to certain hearings? It is for this reason we move this amendment.

This amendment should not be controversial. It is a preferable way of dealing with it. I think the minister would even agree to saying that if it is not controversial this refers it back to the original act to carry out the intent of the original

act, and what can be wrong with that? Therefore, I ask the minister to give very serious consideration to adopting the amendment and stating his approval of the amendment put forward by my colleague from Hamilton Mountain.

Ms. Bryden: Mr. Chairman, I would just like to add one additional point with regard to the need for this amendment. When a matter is deferred it may be deferred because the issue involved has not been fully set forth and further information or investigations are needed before a hearing could be held or before a decision could be taken. In that case no one would know whether the issue was controversial or not until the facts had been brought forward regarding the piece that was being deferred. Therefore, the proposal in the bill as amended by the committee would not be able to apply, because no one would know whether the issue was controversial or not.

That is why the amendment moved by my colleague the member for Hamilton Mountain would clarify the situation where there must be a hearing unless it would not have been required or could be dispensed with under the act in the schedule under which the joint board is set up. That is another reason for adopting this amendment. The controversial point would not apply in cases where one does not have all the facts, and one would not be able to make a decision on that.

Hon. Mr. Norton: Perhaps I could respond, Mr. Chairman, to a couple of the concerns that were raised. It is a little repetitious, because we went through this same discussion in standing committee.

I think it is important that members who may have some abiding concern about this section understand the distinction between subsection 6 and this section.

Subsection 6 applies in those situations where there is a provision under a piece of legislation for a hearing upon notice or upon an objection being registered, such as under the Ontario Municipal Board or under the Environmental Assessment Act.

In the course of this process, if the consolidated hearing process had been initiated and subsequently no objection were received from a person under one of those acts—let us say the Environmental Assessment Act—surely it would not be the intention of the members that the board would still be required to go ahead and hold a full hearing under that act where it would not normally be required. That is what subsection 6 is saying.

I thought we had reasonably amended subsection 4(b) in committee. It appears in the reprinted version as amended in committee. Here we are talking about the deferral of part, or it might even be the whole of a matter for subsequent decision and providing that it may be without a hearing.

The kind of situation where that might be desirable would be, for example, under the Ontario Water Resources Act where a water line crosses a municipal boundary and it may be completely noncontroversial; therefore, it might be reasonable that the board should be able to defer that matter for ultimate decision without holding a hearing.

I understand that under that act at the present time, if this were not worded in such a way, even if it were a noncontroversial part of a matter, if the board deferred it for certain technical examination, it would still be required to have a separate, subsequent hearing on that matter.

I do not think the honourable members would wish that, especially if the matter is not in controversy. It would not be referred without a hearing, because it would be a matter that would be before the initial hearing, the part that would be deferred without a hearing only if it were noncontroversial, and that seems to me to be eminently fair and allows people to be heard before the initial hearing.

If the honourable members are concerned that the board might get heavy-handed, there is always the check on the board relating to natural justice and the matter could be reviewed by a court. That is something that would always hang over the head of such a tribunal as an ultimate check. I do not think you have to rewrite the rules of natural justice in every piece of legislation.

Mr. Charlton: Mr. Chairman, again the minister seems to be missing the point. The minister is talking in contradictions and in circles. He just got through telling us that under subsection 6 it is worded in the way that it is so that if a particular act requires that a hearing be held if there are objections, but if there are no objections, we would not want to force the board to hold a hearing. That is what he is telling us the wording in subsection 6 says.

Then he goes on to tell us that under subsection 4(b) we would not want to force the board to hold a hearing on a deferred matter if there were no controversy; in other words, if there were no objections.

We have no objection to that, Mr. Chairman, and we made that very clear. All we want to see

is the same wording in subsection 4(b), the wording the minister has told us will allow a board not to hold a hearing under those circumstances that the acts set out where no hearing shall be held; in other words, where there are no objections.

10:10 p.m.

If a matter under subsection 4(b) is deferred, and at the time it is clearly laid out there are no objections, then the wording we have set forth would allow the board not to hold the hearing and decide it without hearing. But the wording the minister has proposed in committee, which the committee accepted around controversy, is worded at the time of deferral, not at the time of explanation. The minister made it very clear to us in committee that a deferral may be as a result of the fact that some part of the proposal is not completed.

Therefore, who can possibly determine controversy at the time at which a matter is being deferred? That is the whole question in this case. It is our view that, to make the act concise, clear and consistent in interpretation, these two sections must be worded in the same way so that the rules for having a hearing are the same and the rules for not having a hearing are consistently the same as well.

Mr. Chairman: All those in favour of Mr. Charlton's amendment to section 5 will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Chairman: Mr. Norton moves that section 5 of the bill be amended by adding thereto the following subsection:

"(7) The standards and criteria in or under an act specified in the notice under section 3 that relate to the undertaking specified in the notice apply with necessary modifications in respect of a decision that may be made by a joint board under this act."

Mr. Swart: Mr. Chairman, I want to move an amendment to the amendment. After the proposed subsection 7, I propose to add the words "and the joint board may approve an undertaking only if the undertaking satisfies the standards and criteria for approval under each of the acts."

If I can speak to this, Mr. Chairman, it adds to the amendment, which the minister has made, what apparently has been deliberately left out. I and this party have no objection to the amendment the minister has made which says: "The

standards and criteria in or under an act specified in a notice under section 3 that relate to the undertaking specified in the notice apply with necessary modifications"—though I do not know what "necessary modifications" means—"in respect of a decision that may be made by a joint board under this act."

I assume the act implies what the minister has in subsection 7, but what is left out is the determination on the decision that the board will make. The amendment to the amendment will require that, before approval is given, it must satisfy those criteria and standards. That is the really fundamental issue that we in this party—

Mr. Chairman: Mr. Swart, I am trying to interrupt at a convenient point in your debate. I am having some difficulty here, because it appears to me that your proposed amendment to the amendment is very similar to part of the amendment Ms. Bryden had already moved which was defeated in the House.

Mr. Swart: Yes. May I just speak to that, Mr. Chairman? You will recognize that the original amendment which we had before you, and which was moved by Ms. Bryden, did contain some three or four clauses. You are right that this is similar to one of those clauses, but the other clauses are not added; therefore, I would say it is very fundamentally different to the original motion moved by Ms. Bryden.

Mr. Chairman: In my estimation it is a matter of hair-splitting as to whether it is fundamental. Quite frankly, I am having some difficulty with it, because it seems to me it is being repetitive.

Mr. Swart: I will be glad to help you clear up that difficulty, Mr. Chairman. May I point out to you once again that the original motion moved by Ms. Bryden put in a new subsection which had (a) and (b)—

Mr. Chairman: Mr. Swart, as you and I debate, we are just delaying the whole time frame. I am going to call this particular part of your proposed amendment out of order, and I am going to ask if there are any further speakers on the minister's amendment.

All those in favour of Mr. Norton's amendment to section 5 will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Section 5, as amended, agreed to.

Sections 6 and 7 agreed to.

On section 8:

Mr. Chairman: Mr. Charlton moves that section 8(3) be deleted and section 8(4) be appropriately renumbered.

Mr. Charlton: Mr. Chairman, section 8(3) is another section of the bill that added some controversy during the course of the hearings in committee. The minister tried to point out that this section was supposed to be there to protect those groups who, because of costs and so on, might wish to get involved in a class process under the board's hearing procedures and to have one spokesman speak for a number of groups and/or groups and individuals.

However, it was also pointed out—and I think the minister concurred with it—that in the absence of this section, there is nothing in this or any other act that would preclude that anyway. There is nothing to stop one, two or all the environmental groups or all the ratepayers' associations in the province, or whatever else the case might be, from banding together and appointing a joint spokesman to represent them before a board hearing if costs are a serious problem for them.

Most of the groups that made presentations to the board felt they would be better off without this section. This section is supposed to protect them, but most of the groups that made presentations recommended its deletion in their interests as interveners at hearings before a joint board under this act.

For those reasons, we would like to see this section deleted so that there is not some joint board somewhere deciding when there is a class of interveners or concerned participants in a joint board hearing and who the spokesman for that group should be. The groups themselves can deal with those matters and ensure themselves that they are not only best represented but also fully represented at any hearing before a joint board.

Ms. Bryden: Mr. Chairman, I think it is important in this new bill, which is rather ground-breaking legislation, that we make sure there is as much opportunity as possible for interveners to intervene effectively.

It would appear that this clause, if it is left in there, might restrict their freedom to intervene in the way they think best. I would have liked to have seen the bill contain a clause to fund interveners as well so that it would not be a David and Goliath fight, as it is in many cases. Since we do not have that, I do not think we should add clauses that may restrict the powers of interveners to conduct their cases in the best way possible.

I agree that this does not exclude class actions, but it simply does not put them at the behest of the board.

10:20 p.m.

Hon. Mr. Norton: I did not understand that last comment, I think.

Mr. Chairman, this whole matter was discussed in standing committee. We amended the bill there to try to reflect that concern. My understanding is that this kind of section, as originally worded before amendment, was included in the Environmental Assessment Act at the request of delegations who wanted it included. Then, when we heard the concerns being raised about the board perhaps arbitrarily forcing people into a class against their wishes, we agreed to an amendment upon application by a party other than the proponent in the hope that would meet the concern.

Now they want to take it out. They say they would like to introduce an amendment to fund. I suppose they would like to fund everybody individually so that each person has somebody to do his writing for him, each person has someone to do his research for him, and each one has a technical support person. Let us be practical and let us get on with the business.

Mr. Chairman: All those in favour of Mr. Charlton's amendment will please say "aye."

Those opposed will please say "nay."

In my opinion, the nays have it.

Motion negatived.

Section 8 agreed to.

Sections 9 to 26, inclusive, agreed to.

Mr. Chairman: Mr. Charlton moves that the schedule at the end of the bill be amended by striking out the reference to the Niagara Escarpment Planning and Development Act, 1973.

Mr. Charlton: Mr. Chairman, during the course of the hearings we had a couple of presentations by people who were involved with the Coalition on the Niagara Escarpment.

The whole question of the Niagara Escarpment Planning and Development Act has been under review for a considerable period of time. One of the major parts of that review—and the hearings have been going on for some two years now—is that the board that has convened and is running those hearings is hearing submissions from people right across the province affected by the escarpment and concerned about the ways in which procedures concerning the escarpment should be dealt with in the future.

The minister has laid out for us quite clearly that this is a procedural act that is setting up an approach to dealing with matters that are affected by a number of acts. He is attempting to consolidate those hearings into one hearing. What has been forgotten here is that the Niagara Escarpment Planning and Development Act is probably the one act that already is intended to accomplish that consolidation process anyway. The Niagara Escarpment Planning and Development Act is the one act that has attempted to look at all the aspects of the escarpment, the environment, planning, development and most of the rest of the things that are covered in this schedule.

The people involved with the Niagara Escarpment Planning and Development Act, both on the government side and the public side, have been attempting seriously for some lengthy period of time to establish the best procedure to deal with escarpment matters in the future under all the kinds of things we are talking about here.

Their concern at this point is they do not want to see all the work they have done, and all the possibilities for a good workable process that may evolve from the hearings they are involved in at present, go down the drain because of having this procedure imposed at this point.

They have no problem if, having seen this process work and having evolved the procedure for the escarpment, the two look as if they are suitably mixable to include the Niagara Escarpment Planning and Development Act at some point in the future.

Unfortunately, the minister would prefer to take the other road and include them now and, if it does not look like it is working, take them out. In this House we know that sometimes legislative mistakes made in this House last, not for a few weeks, a few months, or even a year, but for as long as a century.

I recall an occasion just last fall when the Minister of Intergovernmental Affairs (Mr. Wells), who is sitting here tonight, and his parliamentary assistant brought in amendments to some of the municipal legislation in this province to get out some antiquated sections dealing with throwing drunks and alcoholics in jail. There were sections that had not been touched for 100 years.

Those are the kinds of things the groups we are talking about fear. They would rather stay out until both procedures are established and working and, if they are compatible, combine

them rather than combine two things that may not be compatible and find out later.

Ms. Bryden: Mr. Chairman, I wish to confirm my support for this amendment, because I think it is important that at this stage in the hearings under the Niagara Escarpment Planning and Development Act we do not disturb the process going on which with public input is developing a policy for the preservation of the escarpment.

This has been our objective from the beginning, when we put the Niagara Escarpment under a special act which was "to maintain the Niagara Escarpment as a continuous natural environment." It is a unique ecological feature of this province, and we must make sure it is preserved. That is why it required special legislation. The special legislation should be continued so the present process can go on and develop an adequate policy for protecting the escarpment.

Mr. Swart: Mr. Chairman, I just want to say, as I know my colleagues have done, that the Niagara Escarpment Planning and Development Act is a special type of act. It is special because it does not have general application across the province as most of the other acts do. It is for a very specific area and a very specific reason.

Unlike other acts, it does have overriding authority in it. It can override the Planning Act and a variety of other acts. Most of all, to conclude it now seems premature. In all the other acts listed in that schedule, those acts are finalized; they are law. But the law with regard to the Niagara Escarpment is not yet complete, because there is a plan to be completed; then it is going to come before the cabinet and that will be approved, disapproved or modified.

Whatever the situation, that act is not complete until that act takes place and the cabinet approves of it. Therefore, we should not consider this until we know what the act is, what the total picture is with regard to the Niagara

Escarpment Planning and Development Act.

Mr. Chairman: All those in favour of Mr. Charlton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Bill 89, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with amendment.

Hon. Mr. Wells: Mr. Speaker, with the concurrence of the House, I would like to move a motion. Can we revert to motions?

Mr. Speaker: Mr. Wells requests that the House revert to motions. Unanimous consent is required. Do we have unanimous consent?

Agreed to.

MOTION

HOUSE SITTING

Hon. Mr. Wells moved that the House sit tomorrow at 10 a.m., with the routine proceedings to be called at 2 p.m.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, if I might just indicate the business of the House, the intention is to continue on down the list of bills that are here, beginning in committee of the whole House with Bill 90, An Act to establish the Ontario Waste Management Corporation. Added to that list would be Bill 129, in committee of the whole House, and a possibility of considering Bills 105, 106 and 121 if time permits.

The intention is that we will not have any luncheon break but that the members make arrangements for lunch at their own convenience.

The House adjourned at 10:32 p.m.

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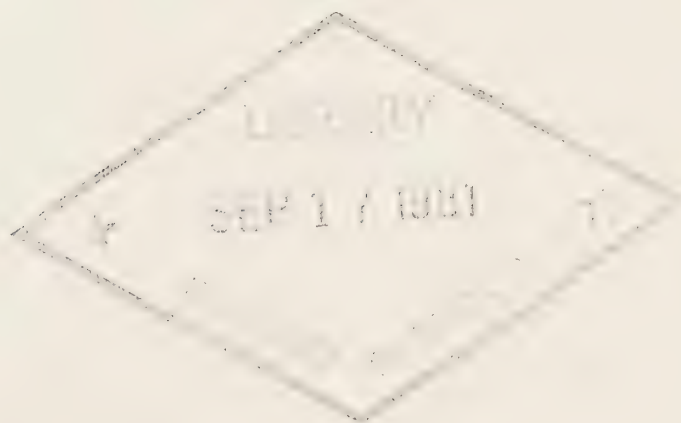
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No. 64

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, June 30, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 30, 1981

The House met at 10:03 a.m.

Prayers.

House in committee of the whole.

ONTARIO WASTE MANAGEMENT CORPORATION ACT

Consideration of Bill 90, An act to establish the Ontario Waste Management Corporation.

Mr. Chairman: Bill 90—at this early hour!

Mr. Nixon: Not for farmers.

Mr. Chairman: No, that is right, Mr. Nixon—not for you farmers.

Mr. Kerrio: The sun has been up five or six hours.

Mr. Chairman: All right. I am sorry I opened up with any kind of remark. I am just a humble little lawyer in the village of Newcastle trying to find my way.

Are there any comments or amendments to any section up to but not including section 15?

Mr. McGuigan: After section 15?

Mr. Chairman: No. Up to but not including section 15.

Sections 1 to 14, inclusive, agreed to.

On section 15:

Mr. Chairman: Are there any amendments?

Mr. G. I. Miller: Yes, Mr. Chairman, we would like to—

Mr. Chairman: I am sorry, Mr. Miller. The minister has given me notice for his amendment. We should carry on with the minister's amendment first.

Ms. Bryden: I have an amendment too.

Mr. Chairman: Mr. Norton, you have an amendment, do you not?

Hon. Mr. Norton: Mr. Chairman, my amendment is to subsection 2 of section 15. I believe that—

Mr. Swart: A point of order, Mr. Chairman: The amendment that the member for Beaches-Woodbine (Ms. Bryden) wishes to put refers to subsection 1. I believe the amendment being put by the minister refers to subsection 2; so I suggest to you that the member for Beaches-Woodbine should be recognized.

Mr. Chairman: You are right. In that event, Mr. Miller, your amendment is in regard to subsection 1 too; is that correct?

Mr. G. I. Miller: That is correct, Mr. Chairman.

Mr. Chairman: Mr. Swart, since I had originally recognized Mr. Miller, and since his amendment is in regard to subsection 1 also, we might consider Mr. Miller's amendment first. Ms. Bryden, is that all right?

Ms. Bryden: I think I was on my feet first.

Mr. Chairman: I vaguely forget exactly who jumped up first. I am sorry, Ms. Bryden. In my mind I did recognize Mr. Miller. I think we will go on that basis.

Mr. G. I. Miller moves that section 15(1) be amended to read: "The Environmental Assessment Act, 1975, section 33a of the Environmental Protection Act, 1971, and section 43 of the Ontario Water Resources Act do apply in respect of the following . . ."

Mr. Swart: Are there copies of this, Mr. Chairman?

Mr. Nixon: It calls for the deletion of the word "not" in the third line.

Mr. Chairman: I do not believe the table has a copy. There is some difficulty here at the table. We have a copy of your original amendment. Is this a new amendment?

Mr. G. I. Miller: Mr. Chairman, it simply deletes the word "not" in the third line of section 15(1) of the opening statement. I think that what we have presented to you is a copy of the complete section without the word "not." Does that clarify it?

Mr. Chairman: All right. So we ditch that and keep the new one you gave me.

10:10 a.m.

Is there any further discussion?

Mr. Nixon: No, Mr. Chairman. I am in favour of this.

Ms. Bryden: Mr. Chairman, while this amendment may appear to accomplish the same purpose as my amendment to this section, which I presume will come next, it seems to me my amendment is a more clear-cut way of removing the offensive section which takes the operations of the waste management crown

corporation out from under the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act.

If we simply delete that section, as my amendment proposes, then there is no blanket exemption such as is provided in the present Bill 90. By just taking out the word "not," the rest of the section is still left in there. It does not seem to make very much sense to leave the rest of the section in there because, if the exemption is not there, those acts that are mentioned definitely would apply. That is what we feel very strongly should apply in this case.

There was no real justification for removing the operations of this crown corporation from the proper assessment acts and the Environmental Protection Act. The time saving, which was given as the reason, appears to have been exaggerated. In fact, it may take a longer time to carry on the present hearing process with the hearing officers, and there will be a great many disadvantages to that process from lack of precedents, lack of experience in assessment cases. On the whole, the public will be less well served by the alternative hearing process that has been set up for this particular corporation.

We simply want to ensure that a proper environmental assessment is held before this project goes ahead and that all future activities of the corporation shall be brought under the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act. Therefore, I will oppose the amendment in favour of my amendment deleting the whole section.

Mr. Swart: Mr. Chairman, I am at a bit of a loss with regard to this, if I understand the amendment correctly. Is the amendment simply to take out the word "not," and does it not do anything to subsection 2?

Mr. Chairman: That is my understanding, Mr. Swart. That is right.

Mr. Swart: Then this gives me a real problem, Mr. Chairman, because subsection 2 states: "On a day to be named by proclamation of the Lieutenant Governor in Council, subsection 1 ceases to apply except in respect of such activities, enterprises or facilities as may be specified in the proclamation."

Unless I am interpreting the amendment wrongly, it appears that the effect of this would be to immediately take out the exemption from the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act, but leave then within

subsection 2 a proclamation whereby the Lieutenant Governor in Council could put that exemption back in again.

It seems to me that if the member for Haldimand-Norfolk, who moved this, wanted the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act to apply, then subsection 2 would also have to be removed. Perhaps he can speak to that.

If I am wrong, then of course I am willing to be corrected in this. But it appears to me that his amendment does not do what he wants to do and certainly not what we in this party want to do. If our interpretation is correct, then we have to vote against this amendment, and we will be putting one of our own which would delete the whole section and therefore have all projects of the corporation subject to these three acts and the hearings these acts provide.

I point out that this is the key to all environmental protection. Here we have projects that undoubtedly may pose the greatest environmental danger of any projects that will be proceeding in the province. Here we have the situation where the majority of the waste chemicals are going to be dealt with at this one disposal site, and we are going to exempt it from the protection that is given by these three acts and the hearings under these acts.

We have to comment on the enormity of what the government is attempting to do here. As my colleague the member for Beaches-Woodbine has said, the government indicates there is some urgency in getting on with this. If there is some urgency in dealing with this—I am not sure whether there is, but there probably is—I want to point out that it is the government's own fault.

The government got a report a year ago last summer which indicated sites in this province where this kind of a facility should be located. Instead, the government went to two sites that did not conform, two sites that were not even named in the recommendation from MacLaren, one in Thorold and one in Harwich. Then the government had to back off those.

If there is any urgency now, it is the government's fault, and it is going to compound all of its errors by exempting this project from the effects of the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act.

If the amendment did make this site and this operation subject to those acts for all time until

the laws were changed, I would support that amendment, even though I think deletion of the whole section would be better.

Mr. Conway: Be reasonable then.

Mr. Swart: No; if the member for Renfrew North will read that, he will agree that it does not accomplish what he wants it to accomplish.

I wonder if the member for Haldimand-Norfolk, who moved this amendment, can explain that, if he understands what I am suggesting.

Mr. G. I. Miller: Mr. Chairman, the real reason we have brought forward this amendment is simply the fact that the region of Haldimand-Norfolk, the town of Dunnville, the town of Haldimand and the Haldimand-Norfolk Organization for a Pure Environment have been requesting that we follow the Environmental Assessment Act that was passed in the Legislature to protect the people of Ontario. The simple reason we deleted the word "not" is that we should be following that legislation.

The government is in the driver's seat, and what we are trying to point out to the minister is that it is his responsibility to make sure the people of Ontario are protected. That is the reason we have asked for the deletion of "not."

We feel that, if the Environmental Assessment Act were to be utilized, then the site would not fit the criteria, because it has been clearly pointed out by the MacLaren report that class one, two, three and four agricultural land should not be used.

If the minister is really concerned about the future of that part of Ontario, he will support the wishes of the people. They went to the polls on March 19, 1981, and clearly indicated they were asking for no more rights than anybody else in Ontario. They just want to use the legislation that is there.

It has been pointed out many times by the former Minister of the Environment, from the very beginning in 1975 when the legislation was brought in, that this was one of the finest pieces of legislation that existed in the world. I really believe that, but it has not been given a chance to work.

What we are saying on this side of the House, and what I, as the representative from the area, am also saying is just to give us the legislation that is there to protect the people.

Mr. Swart: But you are not saying that if you leave in subsection 2. That nullifies your amendment.

10:20 a.m.

Mr. G. I. Miller: I would like to have the minister respond to it. He has come in with an amendment. We discussed it in committee as recently as last Thursday; I hope he will respond as to how he views it, and we will leave it in his hands.

But again I want to point out that if we establish this along the valley of the Grand River it is going to be there forever, and if we bring all of Ontario's waste into one location it is going to be there forever. It is going to affect future generations no matter what happens. It is a historic moment that is taking place this morning.

We supported the principle of the crown corporation; that is fine, but now blot it out so we can look at other sites in Ontario. In my opinion we should be dealing with it not in one location but in regions, so that it is not a keg of dynamite that is going to be there for future generations but so that we spread the risk. I think it is important to assess it in that manner.

Ms. Bryden: Mr. Chairman, I just want to make sure that the House does understand the effect of this amendment. If subsection 2 is left in, it will mean that on a proclamation the government is back in the driver's seat, because subsection 1 will cease to apply. Therefore, the government can then exempt all projects from the Environmental Assessment Act except only those that it chooses to specify by proclamation. Once again, the government would be able to exempt all the facilities at South Cayuga after that proclamation is passed.

Mr. Chairman: Mr. Minister, are you going to comment? Before you do, I am sure we will have a little bit of order between the minister and Ms. Bryden.

Hon. Mr. Norton: Ms. Bryden and I are not disorderly.

Mr. Chairman: A little bit of decorum over there, please.

Hon. Mr. Norton: I thought you were accusing the member for Beaches-Woodbine (Ms. Bryden) and myself of being disorderly. You wanted a little order between us.

Mr. Chairman, I first want to address my interpretation of the concern that has been expressed by the members of the New Democratic Party in this morning's discussion. I think they are in error in their interpretation of the effect of subsection 2, even if Mr. Miller's amendment were to be accepted. I do not think the proclamation that would render subsection 1 inapplicable would have the effect of putting

the word "not" back in; it would eliminate the effect of that section altogether. My suggestion is that if that were the case the acts that are stipulated would then apply as a matter of course in any event, because there would be no prohibition to them.

Mr. Chairman: I hate to be such a grump in the morning, but actually I find it very distracting when we are having a little caucus here. Could the Minister of Intergovernmental Affairs (Mr. Wells) not hide underneath the gallery over there?

Hon. Mr. Norton: If the members look at it again, I hope at least they will come to that same conclusion. I am sure it comes as no surprise to anyone, in view of the fact that we have had a number of discussions on this very point, that I am not willing to accept either the particular amendment or even the interpretation of some of the members as to the need for it.

I can appreciate the anxieties that some people feel with respect to a new process that has been made available and put in place to meet a specific, pressing need in this province. I do believe, however, that the hearing process that has been established, which has just recently begun to evolve in terms of the preliminary meetings the hearing panel have held, not only will provide equivalent protection for individuals, the equivalent opportunity for individuals to participate in the decision-making process with respect to the specific site currently listed in the schedule, but also may have the effect of providing them with an even fuller opportunity to participate.

It is true that the process now in place and again reflected in this legislation would have the effect of eliminating a concurrent examination of multiple sites. It also would eliminate the necessity to hold a hearing to establish need, but I do not think that is a problem, because I think all members will accept the fact that there is a need to deal with the problem of safe destruction and disposal of liquid industrial waste.

However, I cannot accept the interpretation that the present procedure in any way jeopardizes the rights of individuals, with the exception, of course, of the opportunity to look at multiple sites, and I think we have dealt with that on numerous previous occasions.

It has been the clear intent from the time my predecessor first made the commitment that we would do everything we could to protect the rights of individuals, but because of the necessity to move forward at this time alternative process would be put in place. I am not prepared to accept the amendment as it stands.

I also want to respond to the member for Haldimand-Norfolk in regard to the desires he expressed for the opportunity to have the facilities located on a regional basis.

Mr. Kerrio: Kingston.

Hon. Mr. Norton: Well, one of the proposals, as the member knows, is a depot in Kingston and, if this process were in place, I would think the interests of my constituents were well-protected by a hearing process such as the one proposed here. They might have other views, and I might have some difficulty. I am not suggesting that the life of the member for Haldimand-Norfolk is easy these days, and I think he is doing a conscientious job in attempting to reflect the concerns of his constituents.

The proposal to proceed on a regional basis probably would be unworkable because, for an effective destruction process for some of the materials we are referring to here, volume is very important. Once they have fallen below a certain volume of material available for the process, it is no longer viable to operate an efficient destruction process and, therefore, in certain other parts of this country they are having to look at a location that will bring together the waste from several provinces to have the volume that will result in an effective and efficient destruction process.

If the technology changes and an alternative approach becomes available, that is something we may well contemplate in the future. I do not think it is available to us at the present time; so I have to oppose the amendment.

Mr. Chairman: All those in favour of Mr. G. I. Miller's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Are we going to stack the votes? Maybe we could work that out a little later between the House leaders.

Are there further amendments to subsection 1 of section 15?

Ms. Bryden: Notwithstanding the previous amendment having been defeated, Mr. Chairman, I would still like to move my amendment to section 15.

Mr. Kerrio: It has not been defeated.

Ms. Bryden: Pardon me. You are correct and, when that stacked vote comes, it will be upheld, we hope.

10:30 a.m.

Mr. Chairman: Ms. Bryden moves that subsection 1 and subsection 2 of section 15 of the bill be deleted and that subsequent sections be appropriately renumbered.

Ms. Bryden: Mr. Chairman, the reason I think this amendment is the one that should pass is that it makes a clear-cut removal of the exemption of the whole activities of the waste management crown corporation from the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act.

We have worked for many years to provide adequate assessment of projects of this sort before they go ahead, and we have worked to provide for hearings so there can be citizen input. When one is dealing with very dangerous substances, which may, if accidents occur, get into our water table or into our lakes and rivers, it is extremely important that there should be very careful assessment. That is why we feel this blanket exemption should be removed.

We particularly dislike subsection 2 as well, which allows the Lieutenant Governor in Council on proclamation to remove subsection 1 but still to have complete power to apply the acts to whatever activities, enterprises or facilities the government chooses. It gives them another power of exemption.

There is power of exemption under the Environmental Assessment Act and the Environmental Protection Act, but it is hedged around in that they usually have to give reasons why they are exempting a project, and it then has to be passed by order in council and gazetted.

But in this case the government can, simply by proclamation, say that A, B and C facilities are not subject to those acts. This means they have control over all future activities of the waste management crown corporation and can bring them out from under the acts in the same way as this bill brings out the present proposal from these acts.

This legislation is destroying our whole environmental assessment system and is not giving the citizens adequate opportunity to see that any project is thoroughly examined as to its safety, its effects and the methods that are going to be used to dispose of the dangerous substances.

At some time or other, alternative facilities should be looked at if the facilities that are being proposed do not appear to be suitable for disposing of this very dangerous waste.

I urge members to support my amendment rather than the previous one.

Mr. Swart: Mr. Chairman, I am not going to speak to the substance of this, because I did that on the previous amendment. But I do want to speak procedurally.

We have, I guess, three options before us, perhaps four. There was the amendment put by the party on the right; there is an amendment put by my colleague which would totally delete the section; there is the amendment by the minister; and, of course, there is the original bill, which we have before us.

We voted against the amendment by the party on the right, because we did not think it would accomplish what we wanted to accomplish.

In spite of what the minister says, I am convinced that if subsection 2 were left in it would override the Environmental Assessment Act and that when the Lieutenant Governor decided that subsection 1 would not apply, because this bill would be passed after those other acts, it would then not apply, and we would have total exemption at the will of the Lieutenant Governor in Council from all of those acts. That is the reason we could not support it.

However, I just want to say to our colleagues on the right that if we abolish this whole section, which is our proposal, these acts will apply indefinitely to all the projects in that area. I hope they will see fit to support this amendment put forward by my colleague the member for Beaches-Woodbine.

Mr. G. I. Miller: Mr. Chairman, there is one thing I want to ask the minister. We have dealt with Bill 89, which we expect to be passed in the first session and which deals with the various boards on one basis. Will the minister not consider it possible to achieve that with this new bill by tying it in with Bill 90 so that the Environmental Assessment Act could be utilized and the fact that is going to be delaying or holding things up really is not a matter of fact any longer and they could be held in conjunction with one another?

Does he not believe that, to get the confidence of the people, it would be in the government's best interests at least to seem to be providing justice by leaving the Environmental Assessment Act, the Environmental Protection Act and the Ontario Water Resources Act, so they could all be fitted in and used under the crown corporation?

Hon. Mr. Norton: Mr. Chairman, I do not think Bill 89, the consolidated hearings legislation, would be suitable to meet the purposes for which this bill is being presented, because Bill

89, even though there is a consolidated hearing, would still require that all the criteria in each of the bills would be met.

For example, it would be necessary for the procedures under the Environmental Assessment Act to apply, and that would mean looking at multiple sites which, as the honourable member is aware, is one of the concerns we have in terms of the time frame within which we have to work.

It might well be appropriate for any future projects that are considered by the corporation that it would apply, and we would therefore proceed by way of the consolidated hearings legislation rather than by the specific type of procedure that has been established under this bill for the specific site in South Cayuga. But I do not think that is a viable alternative at this time for the township of South Cayuga.

Mr. Chairman: All those in favour of Ms. Bryden's amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Mr. Chairman: Mr. Norton moves that section 15 of the bill be amended by deleting subsection 2 and substituting therefor the following:

"(2) The corporation shall not establish a facility referred to in paragraph 1 of subsection 1 for the reception, storage, treatment or disposal of waste on any part of the property described in the schedule unless a report is made under section 16 and the board concurs that the part of the property is a safe place for the facility and that the proposal for the facility is technologically sound.

"(3) On a day to be named by proclamation of the Lieutenant Governor, subsections 1 and 2 cease to apply except in respect of such activities, enterprises or facilities as may be specified in the proclamation."

Hon. Mr. Norton: Mr. Chairman, following the hearings last week at which some local officials from Haldimand-Norfolk were present and were heard by the standing committee on administration of justice, at the request of the local member and at the request of the regional chairman, I sat down with the chairman to talk about some of the specific concerns they still had. Obviously we were not able to resolve all of them, but I think this amendment will resolve one of the major concerns.

There was concern that in the process as set out in this legislation there was no express

reference to the necessity to establish the safety of the site. Obviously that was the intention and, in fact, I think the order in council makes reference to that. But their concern was that, even though we are committed to issue a new order in council that would be identical to the present one, with the exception of those changes necessary to identify the new corporation, their concern and some of the local concerns would be reduced somewhat if it were clear the corporation must have a positive report establishing the safety of the site from the tribunal before they could proceed.

10:40 a.m.

This really means there is a double opportunity to veto the site. First, before the site can be proceeded with by the board, they must have a positive report from the tribunal. Even if they get a positive report, the board of the corporation still has the opportunity to turn down the site. They are not bound to proceed on that site simply because the tribunal says it is a safe site and the technology is sound. If there is a negative report, if the tribunal says no, it is not satisfied that is a safe place for this facility, then they may not proceed.

With that sort of double assurance, and with it being enshrined in the legislation as well as repeated in the order in council setting up the tribunal, I think that goes some distance, although obviously not all the way, towards reducing the concern of some of the local citizens.

Ms. Bryden: Mr. Chairman, the thing that bothers me about this amendment is that it would appear the crown corporation is actually the judge and jury in the case. It is a proponent and then there will be interveners and then there will be a report which might be in favour or might be against. If it is in favour, the board still has the power of veto over it—but the board a proponent.

It seems to me the findings of an independent body are what should be considered rather than the findings of the board, and the board should not have that power of veto. Otherwise, the hearings are more of a charade than an actual assessment of the environmental problems concerned with the project.

I will not support this amendment. I would have liked to have seen a proper environmental assessment hearing where the report of the board goes to the minister and then there is a possible appeal to the cabinet. This leaves the board entirely in the saddle as far as accepting or rejecting the report is concerned.

Hon. Mr. Norton: Mr. Chairman, may I respond to that? I think Ms. Bryden is perhaps misinterpreting the intent of this section as it is worded.

It is true the board under one circumstance would have a veto—an opportunity to reject the report or not follow the report's recommendations. That is if it was a positive report; if the tribunal says it is satisfied the site is safe, there may be some lingering concern on the part of the members of the board of the corporation. This simply says they too must concur. They may also under those circumstances say: "No. We still have some concerns. We are not prepared to proceed on that site."

I do not think the honourable member would want to bind them to go ahead simply because the tribunal said it was a safe site. However, if the tribunal says it is not a safe site, the board then has no alternative. It cannot proceed if the tribunal has found it is an unsafe site or not a safe site.

If the member thinks about that for a moment, that is probably a good second-level protection to have in there. If we are talking, for example, about South Cayuga, the board of that corporation is composed of a variety of individuals from various walks of life and includes a couple of persons from the local community.

The board may have a technologically sound assessment that comes forward from the tribunal, saying, "We are satisfied it is a safe site." They may still choose not to proceed on that site. That is the only veto they would have, and it is not really a veto. It is surely an opportunity to exercise their judgement at a second level. They could not do that if they were told the site was not safe.

Mr. McGuigan: Mr. Chairman, this party has not had a real chance to caucus on this, but I believe we would support it on the basis that this is probably the best of a bad deal.

As we look at section 15(2), it says, "an activity, enterprise or facility of the corporation approved by the Lieutenant Governor in Council under section 14." Then one looks at section 14: "Except with the prior approval of the Lieutenant Governor in Council, the corporation shall not establish, alter or enlarge an activity..."

It seems to me that, with these two operating principles, they can go ahead and do almost

anything. By adding the safeguards the minister has added in his amendment, it seems to me it improves that part of the act.

Mr. Chairman: All those in favour of Mr. Norton's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Section stacked.

Mr. Chairman: To refresh the memories of members who have just wandered in, especially those in the back row on the government side, and for the benefit of those who have joined us in the gallery, we are working on Bill 90, An Act to establish the Ontario Waste Management Corporation.

Mr. Kerrio: Mr. Chairman, aren't you going to make reference to the members on the other side?

Mr. Chairman: You are behaving on the other side; so I am not making reference to you.

On section 16:

Mr. Chairman: Mr. McGuigan moves that the following section be added to the bill, that the section be numbered 16 and that the subsequent sections be renumbered:

"(1) In this section, 'fund' means the environmental hearing assistance fund.

"(2) The Lieutenant Governor in Council may establish a fund to be known as the environmental hearing assistance fund.

"(3) Where a fund has been established under subsection 2, the moneys required for the purpose of the fund should be paid out of the consolidated revenue fund in the fiscal year during which it is established and thereafter shall be paid out of the moneys appropriated therefor by the Legislature.

"(4) Whenever a review is authorized under section 16 of this act, any party or intervener may at any time make an application for financial assistance to those responsible for that review.

"(5) A person may apply under subsection 4 where that person (a) represents an interest representative of significant bodies of opinion if it is not represented at the proceedings and (b) does not have sufficient financial resources to enable him adequately to represent that interest.

"(6) Where a fund is available and those reviewing an activity under section 16 are satisfied financial assistance is appropriate, they may order that a sum be paid to the applicant

therefor from the fund in such manner at such times and in such an amount as they consider appropriate.

“(7) No person is precluded from applying under subsection 4 by reason only that he has previously received financial assistance under subsection 5.

“(8) Where it appears that several parties or interveners having identical or substantially similar interests have applied for financial assistance, those reviewing an activity under section 16 may consolidate the application and make such orders concerning payment as is considered appropriate.

“(9) In considering the sum to be awarded to any applicant, those reviewing an activity under section 16 shall have regard to all the attendant costs associated with participating in the proceedings, including: (a) legal fees; (b) disbursements; (c) conduct money; (d) witness fees; (e) fees for relevant reports and studies; (f) any other cost that is relevant and appropriate to participation in the proceedings.”

10:50 a.m.

Mr. McGuigan: Mr. Chairman, the amendment is pretty well self-explanatory. It has been debated on a number of occasions concerning environmental matters, because it goes a long way to answer those needs that are felt by people who feel abused by an undertaking and who see a powerful government with all sorts of facilities and moneys and resources at hand to make its case. It is often made out that these people do this selfishly but I do not agree it is selfishly.

I think it is a principle of law in our democratic society that any person who feels he is aggrieved should have the opportunity to defend himself and on a somewhat equal basis, although we can never make it totally equal because of the huge amounts and huge resources of the government. This at least would go part way to balancing up that equation and to making it appear that people have a fair chance in what otherwise appears to be a David and Goliath situation.

I experienced this over the last couple of years in the Harwich township proposal to establish this very facility we are talking about, at least on a temporary basis in Harwich township. The fact there was not funding really angered those people and I believe caused them to go out and put together an organization and put together a sort of political body that gathered strength as it went along. More people

donated through bake sales, auction sales, direct donations and so on the more they became part of that anti-organization.

I feel that in a large way it was responsible for the switch that the government made in changing to the Cayuga site from the Harwich site, and that governments hurt their own cause by refusing to allow funding.

I do not think there is a great deal more I can say about it. It is rather self-evident, and I just hope that all members will give it serious consideration.

Mr. G. I. Miller: Mr. Chairman, I have a couple of comments on this proposed section 16.

I want to support the amendment and maybe make a couple of points in regard to the input that has been provided in my area. Going back to 1975 and 1976, when they were going to establish the deep-well disposal system, the public had a tremendous amount of input, and again at Nanticoke with the proposal of 1979 and again in 1980. The Haldimand-Norfolk Organization for a Pure Environment was established because of the fact the proposed facility was going to be located in South Cayuga.

I think the minister has had an opportunity to meet with those people. They have a tremendous amount of information. They want to be part of the process. They want to have input and they have given a lot of free time. I think the minister would be wise to harness and utilize that information and again get the confidence of the people, because they are extremely good citizens, they want to be helpful and I think they deserve some consideration.

I know he has indicated that is in place through the process that has been established to deal with this particular site, but if it were put in legislation I think it would be more meaningful and people would realize they would have some financial support to bring out the best evidence possible so that the citizens generally can be protected.

The Deputy Chairman: Mr. McGuigan, the amendment that is on the floor indicates in subsection 3 that “moneys for the purpose of the fund should be paid out of the consolidated revenue fund . . .” In my view, this is a commitment of expenditures that is being made by you outside the jurisdiction allowed in the committee. Therefore, subsections 1 and 2 will stand, but subsections 3 and onward are not allowed to be made.

Mr. McGuigan: Can I speak to that, Mr. Chairman?

The Deputy Chairman: Yes, you may. I would like to clear this up immediately.

Mr. McGuigan: Mr. Chairman, we considered that matter, and I believe that by saying in subsection 2 "the Lieutenant Governor in Council may establish a fund" puts it back in the government's hands, which I believe is the intent of the ruling you just gave. The fact that the government may establish this fund makes it their prerogative.

I understand that the Speaker made a ruling a few days ago in regard to the private member's bill of the member for Etobicoke (Mr. Philip), the bill regarding the Ontario health insurance plan, supporting what I have just said.

The Deputy Chairman: Are you prepared to make the "shall" discretionary as well?

Mr. McGuigan: If that satisfies it, yes, Mr. Chairman. I still believe that the previous "may" takes care of the situation.

The Deputy Chairman: I want to be absolutely clear myself, and I am not until I see a revision in the wording.

Mr. McGuigan: We will accept that.

Ms. Bryden: Mr. Chairman, there is a slight technical problem with this amendment that I wish to draw attention to first; that is, it is to be a new section 16 but it refers to hearings under the old section 16. It seems to me it would have been more appropriate to make it a new section 17, since it can then refer to hearings established under existing section 16.

I do not know whether you want to rule on that technicality or whether that can be—

The Deputy Chairman: In the next few moments, thank you. Ms. Bryden, have you finished your point?

Ms. Bryden: I did not finish my remarks on the proposal, just on that technicality.

With regard to this amendment, certainly this party has been supporting the principle of public funding for interveners in environmental hearings for a great number of years. I moved a motion in 1977, I think it was, to provide for public funding through a fund. I left it to the government to decide how the fund could be established, partly because of the complication that private members cannot initiate expenditures.

But, of course, a fund could come from a variety of sources. The actual proponents could be asked to put up a percentage of the costs that they themselves would be putting forward, or there could be a levy on the generators of toxic substances, which could go into a fund for such hearings. So it is not impossible that a fund could be set up with or without tapping the consolidated revenue fund.

My environmental Magna Carta bill, which I introduced a year ago and which was debated, included specific provision of this sort for a fund. I have moved similar motions in several committees, several meetings of the standing committee on resources development, and I do not recall that the Liberals supported me on that particular proposal. This seems to be a rather late conversion. Now that they have found some groups are having great difficulty presenting their cases to the environmental hearings in Harwich, Ajax and—

Mr. Kerrio: Why don't you speak to the amendment?

The Deputy Chairman: Order. I believe Ms. Bryden is speaking to the amendment.

Ms. Bryden: It seems to me that this amendment is a recognition that these groups do need help. I am glad to see it coming in, but it must be the left wing of the Liberal Party that is bringing it in, and I am not sure whether that is a majority.

Mr. Kerrio: Next election there will be 10 of you over there.

11 a.m.

Ms. Bryden: I think the principles are good in that the funding would be done by the review agency, which perhaps would have a subcommittee to decide how much out of a total pot should be allocated to individuals and to groups, and would ask groups to come together if they had common interests to save funds and to use their funds more efficiently. These are all principles we would support.

I think the funds definitely should include legal fees, because hearings that go on for a long time do require somebody who is knowledgeable and who could cross-examine there, on behalf of the interveners, and not many volunteer groups can provide the monitoring that is necessary for long hearings.

There should also be included funds for doing research studies and for hiring technical experts. The government, so far, has stonewalled on this question. The only place where it is giving funds to interveners is where the waste disposal crown corporation has been allowed to give funds out of some money that will be granted to it by the government. I think Dr. Chant is probably the moving factor in this, because he believes very strongly in this principle.

When I asked the minister in committee if this principle would be extended to other environmental hearings in the province, he said flatly, "No." So we are still a long way from having a

policy in this respect; and even if it goes into this particular bill, I am afraid it will not be a general policy. I am not sure whether it is a part of the new Ontario Environmental Rights Act introduced by the Leader of the Opposition (Mr. Smith) yesterday, but it certainly was not in his original act of two years ago.

If this principle is not in that act, I hope he will amend the act to put it in. It is a principle whose time has come. It has been recognized in the Mackenzie Valley hearings, in the Porter commission hearings and in the Hartt commission hearings, but those are about the only cases we know of. It is a principle that should be extended to all environmental hearings.

Mr. Nixon: Mr. Chairman, I will support the amendment wholeheartedly and enthusiastically but, as sort of the dying glow of the right wing of the party, I just want to make another comment based on some observations I have had in my own constituency.

When it was the wisdom of the minister's predecessor that the final solution to these industrial liquid waste problems was to put them into big tanks in my constituency, I was extremely impressed by the phenomenon of citizen participation in opposition to it.

While I am sure if the government policy had been more or less to have some group registered and then have access to money that would have provided it with legal and environmental technological advice, I am not at all sure that the strength of their opposition would have been improved.

I was deeply impressed, however, at the ability of the citizens to raise funds in support of their opposition, which turned out to be successful. I cannot say for sure that it was the citizens who persuaded the then Minister of the Environment to turn his attention to South Cayuga and away from Middleport.

I just want members to know that, while it would be extremely convenient to have government funds readily available for a registered group in opposition to, or even in support of, some government initiative, we should not lose sight of the fact of the tremendous efficacy of aroused citizenry when they want to bring to the minister's and public's attention that there is something wrong with the policy.

That group in Onondaga township was successful not only in getting the minister to change his policy but also in raising the funds necessary to do that. There was always the feeling that the group—and I was part of it in a way; I was very glad to provide what assistance I could and

attended many of the meetings—wished it could afford competent legal representation. In many respects, I thank the good Lord that they did not have "competent legal representation," because I feel it would have diluted and maybe even vitiated the strong personal thrust of the citizens who felt they were protecting, and I believe they were right, their own community and their own family.

Another instance in my own experience had to do with the hearings of the select committee on Ontario Hydro affairs. When we were deeply involved in assessing the safety of atomic reactors and the future of atomic energy in the province, there were many groups and individual citizens who came forward with recommendations based on their own expertise. When citizen groups band themselves together and give themselves an attractive acronymic title and then have access to large amounts of public funds to buy technological advice and representation and spokesmen, I think there is some danger that you are going to set up a new industry which would probably be one that would attract me, for example. One could establish himself as a spokesman for these groups and use research that was usable in one dump to defend another community from another dump or whatever the minister has in mind that week, month, year.

Probably the member for Beaches-Woodbine (Ms. Bryden) is correct, the time for this idea has come, but I would look back with some yearning for the days when the initiative and the ability came from citizens who were truly aroused in defence of their families and their communities and not simply going through the motion whereby they buy advice at no expense to themselves, and buy a spokesman at no expense to themselves. If that were to happen, I think we would be in danger of losing some of the strength of community reaction that we have experienced so effectively in this province in the past.

You can see that I am heartily in support of the amendment.

Mr. Swart: Mr. Chairman, I want to concur with the comments made by my colleague from Beaches-Woodbine, and for that matter with those others who have spoken in support of this amendment that we have before us to provide funding for citizens' groups to participate in any hearings taking place under this act.

There can be no question that if there is going to be fairness in the decisions then there has to be some equality in presentation. Irrespective

of what the member for Brant-Oxford-Norfolk said, in today's society and in highly technical hearings, as most of them are at this time, you must have some expert advice and in fact—forgive me for saying this, Mr. Nixon—you must even have lawyers representing you if the job is going to be done properly at those hearings.

I agree entirely with his comments that an aroused citizenry taking leadership is a great thing but they do have to have this technical assistance. I hope, Mr. Minister, you will rise in your seat and say: "Yes. We are willing to accept this." I hope you will say that in spite of the fact that the party on my right over the months and the years have opposed this principle, spoken against it and voted against it. Their leader brought in the Environmental Rights Act which didn't have any provision for this. This is probably part of the new image they want to present to the public to have this rapport with the citizen groups. Even though they may change that at their next leadership convention, right now it happens to be the line they want used.

11:10 a.m.

However the principle is very sound. Although we in this corner of the House would prefer a comprehensive bill that provides for all kinds of public hearings across the province on a great variety of matters, this perhaps is a good place to start. Because it only deals with one type of disposal in one area it could be sort of a pilot project. The minister should go for this now even though he might not be willing to accept a comprehensive principle at this time. I am looking forward to you rising and accepting the amendment.

Mr. McGuigan: Mr. Chairman, I do not think our amendment here in any way is at variance with the feelings of the member for Brant-Oxford-Norfolk. As I have said on two or three occasions—and I am going back to the experience in Harwich—I believe the local people should be required to put up some money on some sort of a matching basis. If the undertaking is not worth defending from personal funds it is probably not an undertaking of great consequence. I fully support the efforts of local people in raising money to defend what they see as an invasion of their rights.

I am no expert in international law but we often wonder why we have these planes flying up in the Arctic. Surely it is not to look at the polar bears or the walruses. It is to establish a presence up there, to say to the Russians: "We

are flying over this area of sea and ice and a little bit of land on a regular basis and therefore it is ours. We are protecting it."

I think it comes right down to the individual; he must be willing to protect his own land. In the matter of livestock getting on to another person's property, that person must have a fence around his property to protect himself. It is not altogether up to the livestock owner to fence in his animals. It is up to the property owner also to fence his land against the animal.

I do not feel anything here has changed that. You may establish the fund and you can establish it on your own terms and conditions.

Mr. Kerrio: Mr. Chairman, I suppose I would be upset too if I were blubbering about this bill and the other party moved it and took a responsible position on a very important matter. I imagine that is what has upset these Socialists today.

Mr. Swart: You're always upset, Vince.

Mr. Boudria: That's what happens when you have only three members in the House.

Mr. Kerrio: I guess that says something about the bill as well.

I hope the minister will look with favour on this amendment as it shows the very responsible position this party takes about inequity at a hearing. This is something that is not new to the government. Those members have gone to great lengths to be sure people are represented in a courtroom with legal aid so that they do get a good hearing. Regardless of to what degree they may be guilty of some crime against their fellow man, they get a good hearing and they get legal aid supplied to them.

I bring that into focus because here we have citizens who are protecting themselves and others across the province from inequities the government might heap on them. The government can have research and all kinds of experts trying to prove their case. On the other side there often are only the people who can get to these hearings, who are not tied up with their jobs. They are thus at a very distinct disadvantage.

If the minister truly wants democratic hearings I am sure he will give thought to accepting this amendment—in fact putting it in place. Then as we start down the road towards doing something meaningful to clean up our environment, he would be giving the citizens who are grossly concerned about the inadequacies a way to protect their interest in all these matters.

It is not something new. The Indians were

given the right in northern Ontario to have funding to represent themselves. If I am not mistaken, the Preservation of Agricultural Land Society in the Niagara Peninsula was given a substantial amount of money to make its case. I think if the minister is going to do what is fair for those people who would stand up for their rights he will give them the means to be able to present themselves in a fashion that will make it very even and equitable in the argument placed before him.

Mr. Haggerty: Mr. Chairman, I want to address myself to the amendment here, as put forward by my colleagues the members for Kent-Elgin and Haldimand-Norfolk. I think it is a good amendment. There are good reasons for it. As my colleague the member for Niagara Falls has mentioned, PALS in the Niagara region received substantial assistance, I believe, through the Attorney General's office to assist it in bringing forward strong opposition to reduction of farm lands in the Niagara region, good agricultural lands.

I suggest this is the right approach to take to it. I have found an area of particular concern to me in the town of Fort Erie, where people were objecting to a particular lagoon that was going to be located in the city of Niagara Falls and were getting red tape and the runaround—the hearings were held in Niagara Falls, for example. There was not much of chance for those people to put up a strong argument and give the reasons why they were objecting. For one thing, the region had all their expertise before the Ontario Municipal Board, and the environmental assessment hearing too, I understand. Knowledgeable persons from the ministry staff were supporting the program of promoting a lagoon in that area.

I feel people were shortchanged in those hearings, one reason being that they did not have sufficient funding to go out and hire the professional talent required to put forward their objections. In that particular area in the town of Fort Erie, the lagoon in the Stevensville-Douglastown area, these people were shortchanged. They never did have a fair hearing. Now, all of a sudden, there is talk about having another hearing. These things can be costly.

I suggest some funding should be provided. People do have a right to a fair and just hearing before the Environmental Assessment Board or even under this particular bill we have before the Legislature now. People should be entitled to some assistance. In fact, all the information

related to such a hearing or objection to a program or industrial waste site should be available to all the people.

There should be an impartial body there, and this is what the Minister of the Environment staff should be. They should be impartial, and they should be able to supply needed information for both sides. But they should not take a particular stand as witnesses to say, "We support this." The information should be available to all parties so that they can have an independent study, an independent review of the decision and let the board, whatever board may be appointed, arrive at a fair and just final decision.

I feel people have been shortchanged in a number of these hearings. I support the amendment put forward by my colleagues. It is a good reasoned amendment and brings out some equity within the hearings. I feel in this particular area there must be changes made. I often think, when I look at this whole industrial waste issue about the Cayuga site, we have municipalities crying about promoting industrial development in their municipalities. I think these municipalities themselves have a responsibility in this area. If a municipality wants a particular type of industry that will have a large amount of industrial waste, I think it has an obligation to look after that, without dumping the waste on to its neighbour's property.

This is the point I feel the people in South Cayuga are really concerned about. The objections are there for that reason. I suggest that when new industrial sites are permitted to go into the municipalities there have to be assessment hearings relating to the types of industry going in. Do they want that type of industrial waste and who will look after it?

11:20 a.m.

When I look at the MacLaren report, one of the suggested sites was the town of Fort Erie and that is just about a mile north of my place in Sherkston. It was unknown to me they were discussing or had done some studies on that area. The reason we came upon it was because my colleague and myself were on the select committee on Ontario Hydro affairs when these matters were discussed in regard to uranium waste in the Elliot Lake area.

This was when the MacLaren report came forward. In that report there were 10 to 15 sites they thought would be most suitable for this type of industrial waste disposal. Why South Cayuga was ever chosen, I do not know. There are areas I feel can be used for industrial waste.

Interjection.

Mr. Haggerty: Yes, I quite agree with what the minister is trying to tell the chairman; but the whole point is you are agreeing with me that people are not aware of these studies. Open the books so they can see what is going on in these communities, can see whatever studies your ministry is doing.

I support the amendment. It is a reasonable amendment and hopefully all the government members over there will support it.

Hon. Mr. Norton: Mr. Chairman, I have listened very carefully to the arguments from the members opposite on this amendment. I must say the longer I am around this House, the more I realize there are certain members of the House who have been here a little longer than some of the rest of us, who perhaps reflect in their views a longer experience of life and of living in a community and, thereby, the kind of wisdom some people develop as a consequence of that breadth of experience of life.

I think the member for Brant-Oxford-Norfolk —

Mr. Nixon: Blame me for making a bad decision.

Hon. Mr. Norton: No, I was just reflecting upon your wisdom and insight into human nature, community life and those important things we all want to preserve and protect.

I listened to his balanced arguments, so balanced I was not sure which side he was on in this particular issue. I found some parts of his argument more persuasive than others and more persuasive than some of the other members when he spoke of the importance of voluntary action and of not underestimating the power of citizens' action on a matter which involves protecting their rights and their children's future in that community.

I really do concur with the view we must not fall into the trap of assuming that for effective community action and effective presentation of the views of the citizens of a community, some source of funding from other than their own collective resources is going to make their position significantly stronger. However, there may well be some situations where by virtue of—

Mr. Kerrio: You could make that argument about legal aid.

Hon. Mr. Norton: One could, yes. The only thing is, in that area one is most often dealing with an individual case as opposed to a collective response from a community. That is a significant difference. Some communities have

rather well-off citizens like the member for Niagara Falls who, if he were a member of a citizens' group, could fund the whole thing.

Interjection.

Hon. Mr. Norton: That is right. He could do it just out of his own pocket. But if some poor individual was accused of a crime and was trying to defend himself in court alone with limited resources, unable to afford the services of a lawyer, that is a little different from the—

Interjection.

Hon. Mr. Norton: That is right, except in the collective sense there is a greater strength than there is for that individual in court before the powerful forces of the state.

The one person whose argument has left me quite disillusioned is the member for Beaches-Woodbine. I recalled as she was speaking her stout defence of the right to independent, individual action under the consolidated hearings bill when it was before us yesterday and previously in committee, specifically against what she perceived as being an offensive section, which would allow the tribunal to appoint someone to speak and require a group or class of individuals to work collectively. She very articulately opposed that concept.

However, one might say that everybody has his price, because I notice that this particular amendment states quite clearly in subsection (8) that in order to be eligible to receive funding assistance, "Where it appears that several parties or interveners having identical or substantially similar interests have applied for financial assistance, those reviewing an activity under section 16 may consolidate the applications and make such order concerning payment as it considers appropriate."

The only difference between the effect of this section and the one we were debating yesterday is that there are some dollars attached to this one. I am surprised the honourable member did not check on the grounds that there is potential blackmail in this particular section.

Ms. Bryden: On a point of privilege, Mr. Chairman: Did I hear the minister say that everyone has his price? Was he suggesting that I was speaking in favour of withdrawing that section in the bill about class actions for some pecuniary advantage?

I made quite clear that my advocacy of the withdrawal of the section in Bill 89 relating to class actions did not preclude class actions; it simply restricted the ability to form classes, and left the joint board considerable power to

determine what kind of class actions could take place. But I certainly never said I was not in favour of class actions.

Hon. Mr. Norton: Mr. Chairman, my point was simply that in this section which the member for Beaches-Woodbine is now endorsing there appears to be absolutely unfettered power for those reviewing an activity under the section to require a group, in order to get any funding, to come together and act as a class or a consolidated group. The point I was trying to make was that yesterday very eloquent arguments were made against vesting that strength in a reviewing body, but today, when there is a dollar figure attached to it or the possibility of receiving money, it somehow does not seem to be offensive.

I think if the member looks at this and looks at her arguments yesterday, in order to be consistent she really must be offended today as much as she was yesterday by the effect of this subsection.

I think the proposal that we go ahead with any such amendment under this particular bill at this particular time flies in the face of equity, if nothing else. There are many other pieces of legislation in this province where hearings are required, the Ontario Municipal Board being one such body that is established to hold hearings, the Environmental Assessment Board being another.

I am sure the honourable members would say, "Well let us make it apply to all of them." You cannot make it apply under one bill to all of them. I think as well that there are still many issues, philosophical and otherwise, to be sorted out before we jump in on all fours to provide such an amendment, even though the poor honourable member for Brant-Oxford-Norfolk is somewhat isolated from the other members of his party in the wisdom he has brought to bear in his comments on—

Mr. Nixon: I am supporting this amendment.

Hon. Mr. Norton: He is supporting it, but he is supporting it in such a balanced way.

11:30 a.m.

Mr. Nixon: Its time has come. After all, the minister is paying money out, and he is doing it without legislation, as far as I know.

Hon. Mr. Norton: No, we are looking after that. However, as the member knows, in the specific hearings that will take place under this bill there has been an expressed intent by the

proponent to make some funding available. We will see how that works. At this point I must stand in opposition to this amendment.

Mr. Kerrio: You are hard hearted.

The Deputy Chairman: We have before us the public interest funding amendment moved by Mr. McGuigan.

All in favour of this amendment please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

On section 16:

The Deputy Chairman: Ms. Bryden moves that subsection 1 of section 16 of the bill be amended by adding thereto, after "Council" in the fourth line, "and to the minister, and the minister shall then lay the report before the assembly if it is in session or, if not, at the next ensuing session."

Ms. Bryden: Mr. Chairman, the reason for this amendment is that section 16 gives the Lieutenant Governor in Council the power to appoint one or more persons to review any activity or proposed activity of the corporation, but the reports under the present section 16 go only to the Lieutenant Governor in Council or the cabinet.

When there are such reviews and inquiries it seems to me that the public is entitled to know the results. Once again I say that, lacking a freedom of information act in this province, we have to continue to try and amend individual acts to make sure reports of this sort are made not only to the Lieutenant Governor in Council but also to the minister and, through him, tabled in the Legislature so that we can then all know what are the points at issue, what was the reason for the inquiry and what are the recommendations, if any. Therefore, I would urge support of this amendment.

Mr. Swart: Surely, Mr. Chairman, all this amendment can do is enhance democracy. It is an innocuous little amendment as far as causing any problem to the government, and I expect that this time for sure the minister will get up and say, "I accept this."

Hon. Mr. Norton: Mr. Chairman, I think it is clear under section 15 as amended that the report will be a public report. I do not think there is any question about that. There need be no concern. I think the section is unnecessary.

The Deputy Chairman: Those in favour of Ms. Bryden's amendment to section 16 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Sections 16 to 20, inclusive, agreed to.

On section 21:

Ms. Bryden: Mr. Chairman, I have an amendment to section 21. Again it is to open up accountability to the public.

The Deputy Chairman: Ms. Bryden moves that a new section 21 be added to the bill to read as follows:

"The corporation shall, after the close of each fiscal year, file with the minister an annual report upon the affairs of the corporation signed by the chairman or the vice-chairman of the corporation, and the minister shall submit the report to the Lieutenant Governor in Council and shall then later report before the assembly if it is in session or, if not, at the next ensuing session."

Ms. Bryden further moves that the present section 21 and the subsequent sections be appropriately renumbered.

Ms. Bryden: Mr. Chairman, this section was lifted from the Power Corporation Act, I believe, and is the kind of report that Hydro is required to make. There is no reason why this new crown corporation should not make a similar report annually which will be tabled in the Legislature. When this does happen under this amendment, I hope there will be full opportunity for the Legislature to review and debate that report in order that it may have input in determining the policy directions for the corporation.

Hon. Mr. Norton: Mr. Chairman, perhaps to assist here and to abbreviate some further discussion, I will simply indicate that I am quite willing to accept that amendment. It makes good sense.

The Deputy Chairman: All those in favour of Ms. Bryden's motion will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Section 21, as amended, agreed to.

Sections 22 and 23, as renumbered, agreed to.

Schedule agreed to.

The Deputy Chairman: This bill is set down for stacked division later.

EMPLOYMENT STANDARDS AMENDMENT ACT

Consideration of Bill 95, An Act to amend the Employment Standards Act, 1974.

On section 1:

The Deputy Chairman: Mr. Renwick moves that section 1 of the bill be amended by adding thereto the following subsection:

"(1) Clauses a, b, c and d of section 40(1) of the Employment Standards Act, 1974, being chapter 112, are repealed and the following substituted therefor:

"No employer shall terminate the employment of an employee who has been employed for three months or more unless he gives,

"(a) four weeks' notice in writing to the employee if his period of employment is less than two years;

"(b) eight weeks' notice in writing to the employee if his period of employment is two years or more but less than five years;

"(c) 16 weeks' notice in writing to the employee if his period of employment is five years or more but less than 10 years;

"(d) 26 weeks' notice in writing to the employee if his period of employment is 10 years or more and such notice has expired."

And that subsections 1, 2, 3 and 4 of section 1 of the bill be renumbered as subsections 2, 3, 4 and 5 respectively.

Mr. Renwick: Mr. Chairman, I do not imagine I have to speak to the amendment because of its essential and inherent reasonableness in the modern conditions related to notice of termination. Perhaps the minister will indicate, in the interest of saving time and because of its reasonableness, that he will accept it. Otherwise, I will have to speak to it.

11:40 a.m.

Hon. Mr. Elgie: Mr. Chairman, I don't accept that amendment.

The Deputy Chairman: Back to you, Mr. Renwick.

Mr. Renwick: I am surprised. The proposal is a modest one, and I am a modest person. Perhaps it is because the minister is not a particularly modest person, nor should he be really. He is not—

The Deputy Chairman: Dealing with the amendment, Mr. Renwick.

Mr. Renwick: Mr. Chairman, I may be some time.

The Deputy Chairman: We will get some water to you.

Mr. Renwick: I have some water, thanks. I am not used to water.

I want to make certain that I am talking about the same documents the minister is talking about. I am looking at the Employment Standards Act, 1974, the pamphlet copy dated December 1980, which includes regulation number 251. I believe that is the up-to-date bill.

I am not talking about mass layoffs; I am talking about an individual employee. That bill provides now, and has provided for some considerable period of time, the following termination notices: One week's notice in writing to the employee if his period of employment is less than two years. Surely to change that to read four weeks' notice in writing to the employee if his period of employment is less than two years is an essentially reasonable and necessary amendment at this time. I do not believe the minister can say that one week's notice for employment up to two years is adequate notice for any employee in the province at this time.

Similarly, the second item is two weeks' notice if the employment is two years or more, but less than five years. I can say to the minister that he could not possibly go to the court in the absence of a statutory requirement and find that was held at this time to be reasonable notice. What we are proposing as an alternative for that provision is eight weeks' notice.

The next item is four weeks' notice in writing to the employee whose period of employment is five years or more but less than 10 years. We are proposing 16 weeks' notice. For eight weeks' notice in writing to the employee, if his period of employment is 10 years or more, we are proposing 26 weeks' notice.

The minister has to understand that the time has come when the ordinary working person does not have to lag behind the law in other cases such as where it applies to provide supervisory and executive employees with adequate notice. The minister must be up to date. His ministry seems to follow the law as it relates to employers very closely, because they always give the employee something less; so they must understand the law that relates to employers.

Let me just draw the minister's attention to a couple of comments that have been made about this question in the light of the modern development of law. Then I ask the minister and other members of the House to ask themselves, are we to perpetuate these ancient notice provisions, which may have been adequate as a minimal basis at the time when they were introduced, but are now no longer adequate?

Anyone knows the questions that must be

asked by an employer in an ordinary instance of an employee to determine what notice he is entitled to are twofold. The first one is, what is a proper, fair and reasonable period of notice to accord the employee? The second question is, how long will this employee take to relocate successfully?

Can anyone at this time state that one week's notice for a person with less than two years' employment is fair, reasonable and proper notice or that an employee will be able to relocate successfully within that period of time?

Those are the tests and those are the questions the minister has to ask himself. The present statute is totally inadequate to meet those two tests.

Let me go on a little further. The minister knows full well that a few years ago a maximum of six months' notice for persons holding executive and managerial positions was about the maximum that could be obtained. It is now commonplace to have much longer notice provisions or salary in lieu of notice in the event of termination without cause. The minister knows that.

What is his response going to be to me and to this House on the two questions? Does one week in the case of employment of less than two years, two weeks in the case of employment from two to five years, four weeks in the case of employment from five to 10 years and eight weeks in the case of employment over 10 years, meet the present-day tests of what is reasonable, proper and fair notice?

Is that the period of time within which the employee who has received that notice can successfully relocate? I wish the minister to answer those questions and to engage in some dialogue as to whether he has any concern about the adequacy of the provisions as they stand at present.

I also want him to say he has been persuaded by the points I have made and he is now going to accept the amendment. Will the minister respond?

Hon. Mr. Elgie: Mr. Chairman, I always find the member for Riverdale persuasive, reasonable and sometimes accurate, but I have to tell him the position of the government is that its present termination notice provisions, which are for individuals when it is not a mass layoff and which are quite different in a situation with regard to mass layoffs, are seen by this government to be equivalent to or better than those of most jurisdictions in North America, particularly when one realizes no comparable notices are required in the states of our neighbour to the south.

No matter what the member may say in terms of argument with regard to the adequacy of these provisions, taken in the context of the North American climate where we live—that is the reality of it—our provisions are equal to or better than most. We feel they are appropriate for the time being, having that in mind.

Mr. Wrye: Mr. Chairman, we in this party have looked carefully at the amendment as proposed by the member of the party to our left, and we have examined the impact it would have. Regrettably, we are not able to support his proposed amendment because of the extremeness of the position.

I remind the member for Riverdale that in some cases the change proposed is a change that would quadruple the present notice provisions. We believe the present provisions, in spite of what the minister suggests, are inadequate and should be doubled.

We cannot see that the quadrupling effect proposed by the member for Riverdale would be a reasonable change. For that reason, we will be opposing this amendment.

Mr. Martel: Mr. Chairman, I am not surprised in the least by the comments of the last speaker. It was interesting when we sat on the select committee looking at plant shutdowns that the large corporations told us they plan five or six years in advance. If companies are planning five to six years in advance, tell me what the cost is to them to notify their employees six months in advance to give them an opportunity to find a job elsewhere.

It seems to me the only people who ever get screwed in this system are working people, and we are never prepared to apply laws to them that—

11:50 a.m.

Mr. Kerrio: I am glad you are out of the classroom.

Mr. Martel: Why don't you crawl in your hole, Vince? Is that your leadership challenge? Go out and challenge in the boys' room. You should go out and—

Mr. Kerrio: That is very unparliamentary procedure and you know it. You teach our children.

The Deputy Chairman: Order.

Mr. Martel: If you have a filthy mind, that is not my problem.

Mr. Kerrio: Your speech here is gross.

The Deputy Chairman: Order.

Mr. Martel: Mr. Chairman, will you throw him out or shut him up? One of the two.

The Deputy Chairman: Carry on, Mr. Martel.

Mr. Kerrio: Hurts, doesn't it?

Mr. Martel: Nothing you could say would bother me, Vince. You are not even in the right league.

Let me go back and start again. The major corporations told us they plan five to six years in advance. The only advantage to them is to do what people like Bendix Automotive did. We are allowing that to continue. Bendix came in, went to its subsidiary in the Windsor area—I hope my friend the member for Windsor-Sandwich (Mr. Wrye) is listening—and called in the Canadian management. I believe they were given a week, if that, to try to persuade the corporate board in the United States that the decision should be altered. I think it was Bendix, and I think the time was a week.

Workers have no defence, absolutely none against that sort of decision. Even the Canadian management had no input into a decision of that magnitude. Workers were left in the lurch. I believe it was right in the middle of negotiations in Windsor, and I believe Bendix rented a room one Saturday. The news media learned from the United States that they were shutting the doors before the Canadian workers did right in the middle of the negotiations. What protection was there for working people in that operation? None.

What defence is the minister prepared to build in? That someone with a year's service gets a week? Where or how does someone find a job in Ontario or in Canada in a week? The longer one has been involved in a particular company, the more difficult it is to relocate and to have the funds necessary to relocate. It takes time to go out and look for a job and a home. If you have some lead time, at least that eases the task to some degree.

We do not even want to take into consideration the economic factors of today. There is massive unemployment. There are areas where employment traditionally was good. Look at the Windsor area; look at St. Catharines. People in those communities do not find jobs overnight.

It was interesting that in the Armstrong Cork case the committee found one job for one employee of Armstrong Cork. Does the minister know where they found that job for that fellow from Lindsay? With 20 per cent of the people of Windsor unemployed, the committee found a job for one worker in Windsor, where 20,000 people were already unemployed.

There is something loony about what we are doing here. We are not giving adequate protection to the workers. We leave all the economic levers, all the economic decisions, against

which the workers cannot protect themselves and from which unions cannot protect them, in the hands of the corporate board and in the type of economy we have, which is branch plants of the multinationals.

Over and over again, we saw those decisions made. We saw the decisions even with respect, I guess, to McDonnell Douglas where the Canadian firm of McDonnell Douglas could not even bid for some of the contracts in a more competitive sense than people outside. They did not have an advantage.

Those decisions made in corporate boardrooms never take people into consideration. If the minister wants to say, "Well, to the south of us they do not have it," that might be right. Maybe they are cavalier in the way they treat people and do not give a damn about people. Maybe if we kept our resources in this country we would have all kinds of jobs.

If the minister wants to wave his finger at what other people are doing, I can make a comparison with Japan, which has no resources and leads the world economically. In Ontario, we have all the resources in the world and, with this government, we have sold them off. We do not have jobs, and we have a branch-plant economy that leads to this type of problem.

If he wants to deal with the real problem, he had better talk to the Treasurer (Mr. F. S. Miller) and the Minister of Industry and Tourism (Mr. Grossman) and start to do some planning that is going to provide work in this country. Then we will not have to worry about what our friends to the south are doing or what they do not have in legislation.

In another vein, the Minister of Industry and Tourism gets up and says our tax rate is better. Remember that book he sent around last year? What was the name of that? He bragged in there that we have a lower tax rate for industry; he said our wage rate is not as high as those states we compete with in the United States.

What do we do for Canadians that is to our advantage, using what we have here? Nothing. In times of high unemployment we will not even build in protection so that workers are not faced with the whims of some decision made in the United States some day, without even involving Canadian management.

I keep hearing these silly comparisons that are always made. We are either the best or they do not have it somewhere else. So what? We have a lower tax rate. That is supposed to bring them here. Why are the advantages always to the corporate sector? Why are they not made on behalf of working people?

When I hear my friend the member for Windsor-Sandwich say he will not support it, I remind him of what Bendix did. They decided overnight, in the middle of negotiations, that they would close their doors and go home. They did not worry about the employees—not a jot—

Mr. Chairman: Mr. Martel, coming back to the amendment.

Mr. Martel: —or the time on the bill we are proposing so that workers have protection. Then I hear this nonsense about how it is so radical. When we talk about six months of planning ahead, why is it so impractical, why is it so demanding to force these beggars to give employees enough lead time to find adequate employment without going down the tube? That is what we are talking about.

When the corporate sector appeared before the select committee it was very candid. In fact, when we tried to get Haig, the president of Bendix, before us his company would not come. That is how gentlemanly they are; they would not show up. We had to subpoena the records of their auditor by Speaker's warrant. Finally they found someone, after two months of negotiations, to come and talk to us. They sent a couple of characters they should have left south of the border.

When I hear this type of gobbledegook, when I hear from the minister that somebody else does not have it, I have to say, "So what?" If the minister wants to improve the economy of this province, maybe the government should get involved in some sound economic planning that would see resources remaining here and turned into finished commodities so there would be jobs for Ontarians. At that stage we would not have to worry about what goes on in the United States; we could protect the employees here adequately. We are not prepared to do that in this bill.

Mr. Kerrio: Mr. Chairman, I rise to speak to this amendment and to point up some very obvious shortcomings in some of the arguments that have been made.

I hear the Socialists talk of the corporate board and, at the opposite end of the spectrum, the worker. But in this great province of ours there are many small business people in between, many small companies that are affected by the bill. They do not plan five years ahead. They do not have the capacity to do some of the things that are being discussed here. They do not even direct themselves to the fact that the persons

who are given notice under the rules of the Canadian scene are not unfunded after one or two weeks.

We do have unemployment insurance. If that is inadequate, I would argue in favour of increasing it in the face of the costs of living as they are today. But to turn an argument around and make it appear as though notice that is given an individual is all the time he has to look for a job is certainly not the truth. People do have time, and they have coverage that is very meaningful to them and helps them find a new place. If that is inadequate, that is another argument; it has nothing to do with this amendment that is before us.

12 noon

There are many small companies that do not plan five years in advance. When they go to renegotiate their mortgages, they might find they are out of business—not five years from now, not one year from now, maybe not even one month from now. The realities of the marketplace today have changed to the point where it is time people considered having something besides the boards we are talking about here running this province and this country.

The fact is, many small businesses are affected by this amendment, and they have to be considered. Many of them cannot put the costs through. Many of them cannot give the kind of notice we are talking about here. It is unrealistic. There are other areas that should be addressed that would help people in the transition period. It is very easy to stand here and make determinations when someone else picks up the responsibility.

Mr. Laughren: Mr. Chairman, it is not easy to stand here and make determinations when someone else is going to pick up the tab. That is an outrageous statement. What should be made clear is that legislators in all three parties are responsible legislators who are trying to make improvements in the laws of Ontario, and that kind of nonsense has no place in this debate.

The examples that are being used do not make sense. The previous speaker, the member for Niagara Falls (Mr. Kerrio), does not seem to understand that there are employers with fewer than 50 employees who can well provide adequate notice. In my own constituency there is a lumber company that last fall shut down its operation—about 35 employees—and said it would open up in the spring. In the spring, they said: “There are problems. We do not know

what we are going to do.” The next day—bang—there was a notice of total shutdown. They hired back almost none of those 35 employees.

Some of these employees had worked there for 30 years. Some of them spoke no English at all; they had come directly from Finland or spoke only French and so forth. That is a company that merged with a larger company, and they have adequate resources. Sure, the company has less than 50 employees; but to say that employers with less than 50 employees cannot afford to provide that kind of notice is simply outrageous. They certainly can.

There is absolutely nothing in this amendment that is not reasonable. I do not know of anybody who plans his life on shorter notices than this. It is time the private sector was served notice that they too have to plan their lives in a better way and to allow the working people of this province to plan their lives in a better way.

There is nothing at all unreasonable about this amendment. To refuse to accept this amendment is to continue to believe there is a master-servant relationship in Ontario and that is the way we want to keep it. The minister is saying there is still a master-servant relationship and he has no intention of changing that.

These amendments would not remove that totally, but they would give the working people of this province a sense that they had to be considered when decisions of this import were being made. The minister is saying: “You, the working people who create the wealth, are not part of that process. You will do as you are told. It is the decision the employer makes that will determine your future. You are not really part of this. You are fodder out there. That is all you are. We will deal with you in the private sector as we see fit.”

That is what the minister is saying by refusing to put in these amendments. Yet he sits there in his comfortable pew and continues to bring in legislation that does not even allow basic dignity for people who should have the right to this kind of notice.

Mr. Renwick: Mr. Chairman, I could not believe what I heard from the member for Windsor-Sandwich (Mr. Wrye), that the extravagance of this proposal of ours was such that it offended him and he could not support it. I cannot believe if the member for Windsor-Sandwich asks himself, “What is reasonable, proper and fair notice for me as an employer to give an employee who has served me for five years?” that he would say two weeks.

Let me comment a little bit about my friend

the member for Niagara Falls (Mr. Kerrio). When we were discussing the Workmen's Compensation Board amendments he raised the same point last night: what about the small businessman? I am as concerned, and we are as concerned, about the impact of the laws on small businessmen as anyone in the chamber can be. This amendment does not talk about a dollar outlay. This is a case of a business that, because of its business circumstances, good or bad, must give an employee notice of termination of employment, and it must be fair, reasonable and proper.

It does not matter what is happening south of the border. I cannot believe they are any more unreasonable south of the border than we are when it comes to answering those questions. The same question is how long it will take that employee to be successfully relocated. I am not going to have our proposed amendment attacked on the grounds that the small businessman cannot cope with this amendment. He can cope with it in two ways. He can give the notice, give the employee a chance to turn around and find himself another location, having relation to the periods of time we have set out in the bill; or, as happens in many cases, the employer can say, "I am giving you notice of termination of your employment, but I am going to give you your salary for that period in lieu of notice." He has the options and he has the choices involved in that.

At some point the minister has to come back into this assembly and make some adjustment to the notice periods that are in part 12, section 40(1) of the Employment Standards Act. We are talking about unorganized workers; we are talking about workers who have an individual contract of employment, and I defy the member for York East (Mr. Elgie) to say that anywhere in his riding the notice presently set out in the bill would be accepted as fair, reasonable and proper, or that an employee in Ontario can be relocated successfully in the period of time for which notice is being given. The minister knows we are correct. The minister knows the amendment is reasonable, fair and proper, just as the proposal contained in the amendment is reasonable, fair and proper.

Another factor is involved in these matters which must be calculated. I am not going to stress this now, but I want the minister to understand clearly that another element enters into the question of the termination of employment of employees. For the sake of the circumstances as they are coming about I am going to

indicate what the court in Ontario had to say recently about a 42-year-old regional service manager earning \$15,000 a year. He was dismissed from his employment after 17 years of service. He was able to turn around and get another job, but he said, "After that length of time, in the circumstances in which I was dismissed, I am entitled to damages for the upset that was caused."

12:10 p.m.

Notwithstanding his success in finding another position in short order, he advanced a claim against his former employer for mental distress resulting from breach of contract on the part of the employer when his employment was terminated. The court found the employee's dismissal had caused serious mental distress and that the method by which the employment relationship was ended aggravated that distress. In awarding \$7,500 to the plaintiff, the presiding judge found that it was in the contemplation of the parties at the outset of the employment relationship that if the employer discharged a man whom it had led to believe was secure in his job, there would be the likelihood that this individual would suffer vexation, frustration, distress and anxiety.

It may well be a departure from a traditional way of looking at the relationship, but I know, and the members of this House know, the distress, the frustration and the anxiety caused by the plant shutdowns in this province when large numbers of men with mutual collegiality and a community of interest are laid off.

What happens to the individual employee with a reasonable long term of employment who is given this pittance of notice in having his employment terminated? Do you think he is free from frustration, anxiety or distress? Do you think that is not a factor which must be taken into account in determining what is fair, proper and reasonable notice?

We are obviously not going to be able to change the view of the minister this morning, but I want to say to him that he must at some point make the decision. I refuse to stand here in my place and listen to the minister, this minister particularly, make excuses for the inadequacy of the law of Ontario by comparing it to something called the northern tier of states or the sunshine strip states. Those are not criteria on which Ontario has ever founded its position.

To have the minister stand in his place last night and talk about Sir James Pliny Whitney being the first, and today say that those provis-

ions for notice are adequate: when is the minister going to be first? Or is he saddled with a bureaucracy in his ministry and a bureaucracy in the cabinet that make him more and more testy whenever he introduces any bill into the Legislature, and less and less capable of both receiving criticism, accepting criticism and coming up in a public forum with reasonable solutions?

I can only believe he is saddled with a bureaucracy in his ministry that does not understand modern working conditions. It is certain to be that unless he is strong in the cabinet, you can be assured there are very many members of the cabinet who have no conception of the conditions under which people work in this province.

I say to the minister what we have proposed is reasonable; I say to my friends in the Liberal Party what we proposed is reasonable; I say to the government that it is going to have to introduce this because it is behind even the courts in an adequate assessment of the problems that are created by notice of termination in employment when it is not for cause.

The minister ought to understand that, the minister ought to respond to it; and the minister ought to have the graciousness to indicate that perhaps he will look at it, that perhaps there is something wrong in the Employment Standards Act as it is presently written.

He knows as well as I do that he can come down the Danforth with me and speak to employees with the length of service and the notice which this act requires, and ask person after person after person; and does he think they would say it would be reasonable? He knows the situation as well as anyone else in his own riding. We are not talking about people who have the benefit of the protection of organized groups within their society for collective bargaining; we are talking about the individual employee working in many shops and businesses across the city and across the province. One day we will get this amendment.

Mr. Newman: Mr. Chairman, I had no intention of actually partaking in this debate because my colleagues in the House have had the opportunity to express their points of view. However, I would like to bring to the minister's attention that quite a few years ago we had problems in the labour field with various types of industries.

It was brought to the attention of your government—you were not here at that time—but there was no action. Had the government taken

action back in 1970—April 27, 1970—when 142 individuals lost their jobs as a result of the shutting down of Erie Flooring and Wood Products Limited—at that time the Honourable John Robarts was Premier of this province, and I asked him then to look into the situation, asked him why the government did not examine the company's books to determine whether there was a legitimate excuse for the shutdown—11 years ago, we would, in that period of time, have been able to develop some legislation that would have been much better than that we are presenting here today, and we might have avoided a lot of the problems we have had in our own community over the last half dozen years.

I know you want to rule me out of order, Mr. Chairman, but I want to indicate to the government that it has been asleep at the switch for many years, and because of that disinterest in acting we are confronted with the situations we have today.

Mr. Wildman: On a point of order, Mr. Chairman: I may have missed something, but I am not sure. Was the previous speaker speaking in favour of or against the amendment?

Mr. Chairman: It was hard to fathom. I think we will have to look at Hansard within the next few days to establish exactly his stand on the amendment.

Mr. Cooke: Just very briefly, Mr. Chairman, I might point out that if we are ever to get to the point of having justification for plant closures, we certainly have to relate that in some way to notification for layoffs. The only way we can have proper justification is to have long notice, and the Liberals have already indicated they do not want to support our amendment.

Mr. Renwick: I just want to draw to the members' attention one example. I am indebted to my colleague the member for Oakwood (Mr. Grande). We happened to learn on January 29, 1981, that the Royal Ontario Museum—I am talking about severance pay—settled upon an amount of money to be paid to an employee in lieu of notice to work out his contract. Mr. Harvey had 12 years of dedicated service to ROM. They worked out negotiations and offered one year's salary for that employee. For 12 years' service, he was to receive the equivalent of 52 weeks' notice to terminate his employment.

He retained a lawyer and did considerably better. He got 18 months' pay in lieu of notice after 12 years' service. His annual salary was

\$30,000, so presumably he got \$45,000 after 12 years' service, the equivalent of 18 months' notice.

What is special about that category of person? What is special about that body that it can provide that kind of arrangement for an employee? Then we have the member for Windsor-Sandwich (Mr. Wrye) saying that our amendment in regard to salary in lieu of notice is extravagant. How unreasonable it is.

12:20 p.m.

I can quite understand why the member for Hamilton Centre (Ms. Copps) is exercised by the position which her colleague, the member for Windsor-Sandwich (Mr. Wrye) has taken, and I can well understand why the member for Windsor-Walkerville (Mr. Newman) tried to disengage himself gently from the position of the member for Windsor-Sandwich. I don't know where the member for Niagara Falls (Mr. Kerrio) has gone, but perhaps now sanity will prevail in the Liberal Party and they will support our amendment. I trust that you will support the amendment. It is a reasonable, fair—

Mr. Ruston: For some sanity from your party we might.

Mr. Renwick: Oh, the other member from Windsor is agitated now, as well. Perhaps he would get up.

Mr. Ruston: Little sanity there.

Mr. Renwick: Perhaps my friend, the member for Essex North would get up. Certainly down in the Windsor area it won't go very well—

Mr. Ruston: It didn't go very well for you in the last election down there.

Mr. Renwick: Perhaps you had better rethink that—and it won't go very well in the Hamilton area any more than it will go well in the east end of Toronto or in East York. It will be a problem—

Mr. Ruston: Your problem.

Mr. Renwick: —so I hope that you would rethink your position. We would be delighted to recess for a few minutes while the Liberal Party has a caucus over the position it has taken on this matter. I trust we will have your support.

Mr. Ruston: Maybe your members would like to have a caucus meeting.

Mr. Chairman: Order. Mr. Ruston, I have never seen you so agitated.

Mr. Renwick: I trust we will have the support of all thinking members of the chamber on this particular amendment.

Mr. Chairman: All those in favour of Mr. Renwick's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

On section 2:

Mr. Chairman: Mr. Renwick moves that subsection 1 of section 40a of the act, as set out in section 2 of the bill, be amended by striking out "and who has been employed by the employer for five or more years" in the ninth and tenth lines and by striking out "to a maximum of 26 years" in the thirteenth and fourteenth lines.

Mr. Wrye: On a point of order, Mr. Chairman: You never asked if there were other amendments to section 1, and I was simply waiting for you to do that so I might begin to move amendments to section 2 of the bill. Perhaps you could tell us when you have completed each section.

Mr. Martel: Mr. Chairman, unfortunately the new boy got scooped at the starting gate, and you recognized my colleague. He wants his amendments to be moved and voted on, but whoever gets the chairman's eye is the one who gets recognized. It is a tough lesson to learn, but it will serve him in good stead in the years ahead.

Mr. Renwick: In the spirit of charity and in the hope that it will soften the minister's heart and my colleagues on the right, I would be quite happy to defer our amendment to the amendment proposed by the member for Windsor-Sandwich.

Mr. Chairman: Mr. Renwick, that is very kind. Actually, I was just about to rule in his favour, but you very graciously acknowledged Mr. Wrye could continue. Unfortunately, Mr. Renwick did catch my eye first because sitting in this chair your focus tends to be this way, not that way. So I did miss him.

Ms. Copps: On a point of order, Mr. Chairman: Since the House leader for the NDP seems to be so ably cognizant of the rules of the House, perhaps he could instruct members on his side who are moving said amendments to provide the members on all opposition sides with copies of those amendments before proceeding. I do not have a copy.

Mr. Chairman: One last chance, Mr. Martel.

Mr. Martel: Mr. Chairman, if the member wishes to raise a point of order she might inquire as to whether or not her colleagues have received copies of the amendments.

Mr. Cooke: The acting critic has a copy.

Mr. Martel: The acting critic—

Ms. Copps: The critic did not receive a copy of the amendment.

Interjections.

Mr. Chairman: The point is well taken from all sides.

Mr. Martel: Should we provide—how many? Would they like 34 copies? We will adjourn for a few moments so we can get copies for them.

Mr. Chairman: Now, Mr. Martel. Order please. The point is well taken on both sides. It is straying from the problem we originally had.

Mr. Wrye, any further amendments?

Mr. Wrye: I have two amendments to section 2 of the bill, Mr. Chairman.

Mr. Martel: Have we got copies of this amendment? I do not have a copy. I would like a copy.

Mr. Wrye: Mr. Chairman, we could run off 30 copies, one for each of the members to our left—or is that 21? I am not sure.

Mr. Chairman: All right, all right.

Mr. Wrye moves that section 40(a)(1) of the act as set out in section 2(1) of the bill be amended by striking out “five” in the tenth line and inserting in lieu thereof “one.”

Mr. Wrye: Mr. Chairman, perhaps at the outset I could ask if the minister is prepared to accept the amendment. He did not leap to his feet to accept it, so perhaps I ought to attempt—

Mr. Chairman: Why do we not go into clarification of the amendment and at that time the minister may respond?

Mr. Wrye: We have said quite a bit on this portion of the bill on second reading. I want to remind the minister briefly that in setting out the criteria to establish minimums and maximums the minister himself suggested that the criteria were a degree of permanence involved in the employee and a degree of commitment to the company. It seems to me that any employee who has spent a year at a company has indicated in a very real way a degree of permanence and a degree of commitment, and he should not be discriminated against in severance pay.

I remind the minister that as the bill now stands many employees who would otherwise qualify for severance pay would be eliminated.

In addition, the bitterness that would be engendered by having employees who have spent four and a half years, or four years and 10 months or four years and 11 months, and who would fall just under the very arbitrary five-year stint that is established by this bill, would linger in the final days at the company. It is a very unrealistic level for the government to have set. One year, as I suggested, does establish very much that degree of permanence and commitment on the part of the employee, and as a result I hope this House, with support from all sides, will agree to that amendment.

Mr. Renwick: Mr. Chairman, the amendment put by the member for Windsor-Sandwich and, I believe, the next amendment he is proposing to put, were covered by the amendment I inadvertently placed before he had an opportunity to place his. Therefore we will support his amendment. We think one year is too long, but it illustrates the principle we are concerned with.

12:30 p.m.

The regulations with respect to mass layoffs under section 40(2) provides for three months and I don't see why we shouldn't go to three months. Our amendment was simply to eliminate that particular five-year restriction on the grounds that it was not going to make any difference whatsoever to the company which was required to pay severance. It makes no difference whatsoever if it had to pay those short-term employees the kind of dollars that we are concerned about.

We have some examples, but my colleague is going to speak to the matter and if necessary I can speak further. We just think the period should not exist at all and we would support it down to the one year, if that is the best the minister can do, but I think we will move the elimination of that particular clause and I will leave that to my colleague.

Mr. Chairman: Mr. Renwick, although I appreciate that you haven't placed your amendment, do I understand you won't be proceeding with your amendment?

Mr. Renwick: Mr. Chairman, my sense is our single amendment which I placed before the assembly and then withdrew in deference to my colleague, covered the two aspects of the two amendments which he is going to put. Let us await the event.

Mr. Martel: It is pretty radical stuff, I must say. I am not sure I can support it. It is so radical it bothers me.

Mr. Chairman, you must be embarrassed with

this particular hunk of junk because you happened to be a member of the select committee which adopted as its recommendation—the only recommendation the committee made in fact—one week's severance pay for each year of work.

What bothers me is that on second reading of this bill not one of those six Tory members rose in their place to object to this section of the bill, having voted on it not once, Mr. Minister, but twice. We not only moved it once, it was brought back to the House as a report and we then reaffirmed the position based on some of the minister's answers at that time. We took it back to the committee and with six Tories voting, the committee all voted for a week's severance pay for each year of work. We certainly did not include that you had to be employed for five years before you would qualify.

I might say to my friend, when we discussed that particular resolution we had to change our original motion because the Liberals would not accept the resolution as proposed because it was going to affect too many small businessmen.

Ms. Copps: Business people.

Mr. Martel: Pardon me, small business people. We went along with that in order to get it through. But here we see the spectre raised again today in the last amendment, when we know it will not affect small business people because they are excluded. We are talking about the Bendixes of the world, and you and your colleagues continue to play the game. You weren't really too interested in the beginning so why should you change now, except that you are forced to the wall on it and it would be rather embarrassing if you didn't.

Not one of my six Tory friends who voted has risen in his place. I believe there are two who are now cabinet ministers, one is the Deputy Speaker, one is the Chairman.

Mr. Wildman: It's called the majority gag.

Hon. Mr. Elgie: The chairman has to be impartial.

Mr. Martel: He doesn't when he is speaking from his seat, when he is not in the chair. Not one of those six Tories managed to get up and say that this was a bit of nonsense. Why should someone with five years and a day be entitled to benefits and someone with four years and 11 months be excluded? How silly and how unfair and how unjust to decide that one only has four years and 11 months and, therefore, doesn't qualify.

What the hell is the difference between four years and 11 months and five years? What is the difference if one only has four years? He has given four years of dedicated service. The minister says, "Well, it has to do with his allegiance to the company." I think that was the terminology he used. Does someone with only four years not have any allegiance to the company, or someone with three years or two years?

It is such a foolish amendment. You will remember the reports in the *Star* and the *Globe* and *Mail*. The chairman recalls them well because he questioned some of the witnesses. The chamber of commerce said the figure was \$700 million a year. That is what severance pay is going to cost us. Everybody is quitting his job at the same time tomorrow. No one is going back to work. All the plants are closing down and we would have to pay \$700 million.

When we got the chamber of commerce before us, we questioned them about their figure. Go back and read the Hansard transcript of those hearings and you will read about the backpedalling they did. I didn't think a bicycle could go backwards. When they were confronted with their figure and asked to explain how they calculated it, they couldn't. Obviously, the cabinet bought the argument. I guess what is so frustrating for me is that we stand here and get severance pay and 700 or 800 employees of those laid off are going to get it this year. Whoop-de-do!

Most of the people who are out on the street because of plant shutdowns this year do not benefit by this act. It is a small handful; it might be 7,700. I'm not sure what the figures are, but I am not very far out. Why are we putting this terrible five-year period in there? Can you imagine the consternation of somebody who has been there for four and a half years? Aren't his problems as big as someone with five or six years? In fact, they are probably greater today. He is probably younger in age; he probably has younger children; he is probably paying for a home. His needs are every bit as great, but we don't see fit to do it.

We have to put on a limit and I can only assume it is because the chamber was able to—

Mr. Villeneuve: You are a lovely man. Now hurry up.

Mr. Martel: Then I had better take some nasty pills. I want to know if people with four and a half years have less difficulty than people with six years because that is what we are talking

about. We are talking about a small measure when people are faced with unemployment and having to relocate somewhere else.

If you only have four and a half years, your problems aren't as great. I guess you could walk away from your mortgage. You haven't got as much invested.

I know that my friend the minister saw that when he was good enough to come to Sudbury and to the town of Capreol. He knows well the case of a young man who only had four years in and he walked away with his wife and two kids from his investment in his home. They went down to the Nanticoke area, but he had to walk away from his investment of three or four years in a new home. Maybe some of you in your grey and blue business suits can afford that, but most working people can't. In fact, in that town there are still homes for sale that they have not been able to sell. Even worse, after they have left the house for a year the federal government insists that when they sell that house and purchase another one down here, there is a capital gain on the house they have up north.

12:40 p.m.

There has been talk about putting it to them, and we know how. In this piece of legislation, in this particular section, we really are discriminating against some and we are causing rancour. It is just unfair.

I would urge at least one Tory who voted for one week's severance pay, without specifying any number of years, to have enough courage to get up and oppose this five-year requirement. Six of them not only voted once, but voted a second time to uphold that amendment, and not one has had the courage to say it yet.

I would like to hear from the minister how he can rationalize five years as opposed to four. Maybe he can tell me why someone with six years or four years has less of an economic problem than someone with six or seven years. In the interests of working people, maybe we should start looking at what the effects are when someone is wiped out because his job is gone. Maybe we could accept an amendment like this if some of the Tory back-benchers would have the courage to get up and say that it is wrong to discriminate in this fashion.

That is what it is. It is discrimination at its finest. Maybe one, just one, would have the courage to say that it is wrong, particularly one of those six who served on that bloody committee and voted twice for it.

Mr. Ruston: Mr. Chairman, I support whole-

heartedly the amendment put forth by my colleague the member for Windsor-Sandwich (Mr. Wrye) with regard to the one-year limit instead of five years. It is a very worthwhile amendment and should have the support of all the House.

Hon. Mr. Elgie: Mr. Chairman, I do not accept the amendment for the reasons I have given on two or three occasions. I am surprised at some of the members suggesting that this is done for any ulterior motive when they know full well that this legislation, when passed, places this province in the forefront in North America. I am quite surprised at that approach.

Even the suggestion that it is some sort of new idea is surprising, when their colleagues in Ottawa in their feeble legislation with regard to layoffs have a five-year floor. It is intriguing that these members have a position different from theirs. It is also interesting to note that a variety of other European countries which have taken this approach—and not all have—have chosen to put in some sort of a floor in recognition of the fact that severance pay is paid in recognition of years of service and commitment and also for loss of future benefits.

For instance, in Great Britain there is a two-year floor; in France, a two-year floor; in Ireland, a two-year floor. It is not unusual in collective agreements.

Mr. Martel: The minister is very selective. Why did he not choose Germany or Sweden?

Hon. Mr. Elgie: I did not say they were all that way. The member has to stop being perceptively selective. He likes to do that. He likes to say, "You are all bad and we are all good." My friend the member for Riverdale (Mr. Renwick) likes to use that phrase as well. But responsible people, looking at the actions of this government, will see it as a progressive government. Let there be no doubt about that.

It is not uncommon in collective agreements bargained for by the parties to have a floor, nor is it uncommon to have a ceiling. The government is perfectly justified in this area, in which it is pioneering, in accepting a definition of severance pay which requires some commitment over a few years to a company in order to be eligible for severance pay.

On those grounds, Mr. Chairman, I oppose the amendment.

Mr. Chairman: Those in favour of Mr. Wrye's amendment to section 2 of Bill 95 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Mr. Wrye moves that subsection 1 of section 40a of the act as set out in subsection 1 of section 2 of the bill be amended by striking out "to a maximum of 26 years" in the thirteenth and fourteenth lines.

Mr. Wrye: Mr. Chairman, I know my friends opposite have combined the amendments, but if there is anything that is mean-spirited about this so-called pioneering legislation—fortunately, the pioneers of yesteryear were a lot bolder than the minister has been—it is the cap put on the severance pay in this so-called legislation.

Speaking to this amendment, it seems that if the minister wants to talk about a commitment in establishing a floor at five years, a floor we disagree with, surely he then cannot turn around and forget the commitment of employees, many of whom may have worked 28, 30 and 32 years.

Mr. Martel: I have not got a copy of that.

Mr. Wrye: I am sure the member has a copy.

That is why we are proposing to drop the cap of 26 years from the bill. The very least that can be done for those who have worked beyond 26 years, probably a lifetime for the company, given the difficulty they will probably have in relocating, is to give them one week's pay for each and every year they have worked with no top to that. That seems to us to be only fair.

Someone who has worked 35 years should not be receiving the same amount of severance pay as somebody who has worked 26 years. It seems to fly in the very face of the overall intent of the act. I would hope those members opposite would support this amendment. My friend the member for Sudbury East (Mr. Martel) has referred to the two votes that were taken. I guess we would call them the gang of six, who voted yes twice. In remembering those earlier deliberations of the committee, I do not remember seeing a cap of 26 weeks on the legislation. I certainly hope at least one of that group of six this time around, will have the courage of the convictions he had back in December and January and will be supportive of the amendment.

Mr. Renwick: I will be interested in how the minister gets out of this amendment, considering he said a few minutes ago that the whole question of severance pay was a kind of reward for long service in a company. I wish I had jotted down the exact phrase, but the substance was, somehow or other, the old paternalistic view that the employee, having served for a long period of time, is deserving of some additional

pittance, now to be supported in law in the province. How does the minister decide that the twenty-seventh, twenty-eighth, twenty-ninth, thirtieth and thirty-first year of service do not count in that particular world in which the minister and the bureaucracy of his ministry appear to dwell?

Mr. Martel: I would like to say to the chairman I am prepared to take his place for a few moments if he wants to speak on this bill. I would be very accommodating to him if he wants that opportunity. I would be more than prepared to occupy that chair for a few moments. I am intrigued by what my colleague the member for Riverdale (Mr. Renwick) says. It would be interesting to hear the minister on this one. I can almost hear it though. In contracts, there are caps. We talked to the unions about negotiating severance pay and pensions. They found in most instances it certainly was not what they wanted, but that was all they could get.

12:50 p.m.

I suppose he will say, "In North America, we don't have it anyway, so we are pioneering and it is great stuff." Then the other one he will give us is, "In Europe, they have a ceiling." I suppose they might be able to find the odd country that has a ceiling. He is pretty selective in the countries he picks.

Hon. Mr. Elgie: Look at Saskatchewan for severance pay.

Mr. Martel: No, no. He is very selective in the countries he picks.

Hon. Mr. Elgie: Let's pick Saskatchewan.

Mr. Martel: I wish you would pick West Germany. Why do you not pick West Germany in some of your pickings? If you want to make comparisons on protection for workers and you are prepared to make comparisons with those countries, adopt what some of those countries are doing such as justification.

If you want to compare us to England, France and other countries, they have justification. They also have laws that say one cannot shut the door unless the government says it is okay. We do not have that. The minister is very selective in what he picks. Surprisingly, he finds the ones that do not have it. But maybe he is prepared to include justification in this bill now.

I am not sure about the Liberals, but we would support it. If you were to put an amendment about justification, we would heartily endorse justification, seeing as you have picked England, France where they have justification. I would be delighted to see you put this

in the bill. I am sure the Chairman would too. In fact, I know he would. He was all for justification.

Hon. Mr. Elgie: He cannot speak for himself right now.

Mr. Martel: I volunteer to let him speak for himself. I will take the chair for a few moments to give him that opportunity.

It is going to be interesting because you put a limit of 26 years. Even given that a man took a job at 25, that would make him 51. We know the difficulties men and women over 45 have in obtaining employment. There are the people from National Steel. I phoned the Ministry of Consumer and Corporate Affairs just last week over pensions for some of those people at National Steel. There was a gentleman in question who is now 63. Who do you think is going to employ him?

In fact, talking about National Steel, I wonder if the minister has an answer for me today about my friends. I would not mind delivering a bunch of cheques from our friends in Cleveland to all those employees scattered around the province. I would not mind delivering severance pay cheques to them since National Steel, which shut its doors two years ago, only made this termination official on January 19, 1981.

I am hopeful those employees will get these benefits. I think of a friend of mine who is 63 years of age who simply cannot find alternative employment now. What is wrong with giving him a year of severance pay for every year worked if it is based on dedication and commitment to the company?

Surely to God somebody who has been there 25, 26, 30 or 35 years has shown great dedication to the company. Why should he be penalized for his dedication to that company? I am not sure what you are implying. Is it that the last 10 or 11 years were downhill, or was he not as committed? I do not know how you make that fine distinction except that you probably could not get through cabinet what the committee recommended, namely, one week's severance pay for every year worked.

I suppose the cabinet, on the plea from the chamber of commerce that it was going to cost \$700 million annually, bought part of the line that we could never in our wildest imagination subject those poor companies to having to pay for those employees for the full number of years they were there. What is so perverse about paying the full amount that you must terminate it at the twenty-sixth year? There is really something amiss in this whole piece of legislation.

I am not sure if the minister has responded to what I said when I spoke on the last amendment as to how many people in Ontario of the total number of employees up to this time would accrue benefits from this piece of legislation. I suspect we might reach 20 per cent of employees who are thrown out of work because of plant shutdowns. If we reach 20 per cent with this piece of legislation, we will be lucky. Even though we do, not only is it only about 20 per cent, but there are limitations to the amount one receives once one has qualified.

What you have introduced is an obstacle course. Only the swift and the agile will persevere long enough to qualify. The rest that fall by the wayside do not qualify for survival of the fittest so they are not entitled to as much or not entitled to enough. Even those who do manage to get over the obstacles are penalized beyond 26 weeks.

Mr. Renwick: Mr. Chairman, I just want to state that we support this amendment. I await with interest the minister's rationale for not accepting it.

Hon. Mr. Elgie: Mr. Chairman, I acknowledge it is a very difficult task for a government when it has involved itself in this area which, as I have said, and I say it modestly, it is pioneering in North America. We are not going to be mean-spirited enough to look to Saskatchewan where there is no severance pay legislation at all.

I think it would be unkind to look at the legislation passed by another great Labour government in Great Britain. It had a 20-year ceiling on it. We did not think that was good enough for us, nor did we think the 20-year ceiling imposed in the federal statute was appropriate. We looked around to see what was the norm in other areas of collective agreements. This own government's severance policy with regard to civil servants is 26 weeks—one week per year of service.

Although we have been involved in a lot of rhetoric here today, I am sure the members for Sudbury East and Riverdale know it is not uncommon in collective agreements to have some type of ceiling. In the food industry, I am told many agreements have five-year or 10-year ceilings. The United Auto Workers in many of its agreements have a 30-year ceiling. I am not alone in the world in realizing that when one enters into this kind of legislation one has to compare oneself to what is happening in the world.

I know that is troublesome for you. You

would like to set us up as an island nobody wants to come to, but that is not what we want on this side of the House. We want to preserve ourselves as an island that is looked upon as progressive, not punitive, and that tries to deal with problems appropriately, as this piece of legislation does. I cannot support that amendment.

Mr. Chairman: All those in favour of Mr. Wrye's amendment to section 2 of Bill 95 will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Mr. Renwick, in regard to your amendment, I am having some difficulty because now that I have had the opportunity of reading everything, it is exactly the same.

1 p.m.

Order, please. I cannot hear Mr. Renwick.

Mr. Renwick: Subject to the one observation my colleague and I made that there is no floor in our amendment, then the two my friend the member for Windsor-Sandwich (Mr. Wrye) put encompass the whole of our amendment. We did not want to have any minimum, but there is now no need for me to put that amendment.

If I may speak though to my concerns, this provision of the bill we are dealing with, the gut provision of the bill, defied any amendments that would satisfy the kinds of concerns I have. So I want to ask two, three or four questions of the minister. Let me start with the easy ones first.

Hon. Mr. Elgie: Mr. Chairman, on a point of order: Did we not vote on the particular amendment that was put or are we on a new amendment now? I am not quite sure where the member is leading us. What are we on now?

Mr. Chairman: That is a good question. Do you have your questions relative to a specific section of the bill, Mr. Renwick?

Mr. Renwick: Yes. I am sorry I confused the minister. I can well understand that the mental gymnastics he went through a few minutes ago must have confused him.

Hon. Mr. Elgie: Please say with respect.

Mr. Renwick: With respect. I am referring to subsection 1 of what will be section 40a, which is included in section 2(1) of the bill. I just wanted to speak to a couple of concerns I have on that subsection.

Hon. Mr. Elgie: I thought we voted on that.

Mr. Chairman: Yes, we have a problem, Mr. Renwick, because we just voted on that.

Mr. Renwick: I am not dealing with an amendment. I want to speak to the section. I have some questions about the section, not about the time period. I withdrew that. We said we would not be placing our amendment.

Mr. Chairman: That seems fair to me.

Mr. Renwick: If we can all just settle down and get with it now, the first easy question I have is, is the severance pay payment clearly in the minister's mind in addition to any other payments to which the employee may be entitled, specifically notice payments and all such other payments? Is it, in fact, in addition to the amount of money the employee will have?

Hon. Mr. Elgie: Mr. Chairman, I think the act makes it quite specific when it says, "The severance payment contemplated in the bill is in addition to payments under the termination provision." But if the member is saying, is it in addition to all other payments an employee would receive, I would ask him to look at the bill because, in line with collective agreements, supplementary unemployment benefits, for example, may be set off against any severance pay, as they are in all United Auto Workers' collective agreements with the auto industry.

Mr. Renwick: Apart from those setoffs, it is not a substitution for any other payment, except as expressly set out in the bill?

Hon. Mr. Elgie: Really, Mr. Chairman, I do not think I can be more specific than I have been in saying the bill specifically says this is in addition to termination pay. The bill says that quite precisely.

Mr. Renwick: I wanted to hear the minister say it.

Hon. Mr. Elgie: I guess it is important, but I am not—

Mr. Renwick: It is important.

Hon. Mr. Elgie: It is important. That is why it is worded the way it is.

Mr. Renwick: The second question is, is severance pay taxable in the hands of the employee?

Hon. Mr. Elgie: Mr. Chairman, I am afraid that is a question I would have to get legal advice on from counsel. I do not know if it is considered as wages or not.

Mr. Renwick: We are not going to delay the bill, but these are questions about which I would appreciate in time if the minister would let me have opinions. They are matters of concern.

Hon. Mr. Elgie: Sure.

Mr. Renwick: Are the payments deductible for tax purposes by the employer who gives the notice of termination?

Hon. Mr. Elgie: I would presume so. They are payments made, so I would presume they are tax deductible.

Mr. Renwick: Would you include that question as well?

Hon. Mr. Elgie: Sure.

Mr. Renwick: I want to come to a couple of more substantial ones. The wording that bothers me in clause 40a(1)(b) that we are talking about, which is the second part of the conditions that are required for severance pay to be given effect, "the terminations are caused by the permanent discontinuance of all or part of the business of the employer at an establishment."

I am indebted to my friend the member for Windsor-Sandwich (Mr. Wrye) for this. Let me assume for the moment that the Chrysler engine plant was at a separate location in Windsor and the Chrysler company had a number of other operations in the Windsor area. It was all Chrysler. The engine plant is shut down, but the other operations continue. What is that? Is that a permanent discontinuance of all of the business of the employer at an establishment or not?

Hon. Mr. Elgie: Mr. Chairman, that is my understanding of it. It is my understanding that we have worded it specifically so that it applies to that particular establishment and not to a group of separate establishments. Certainly that is what is intended in the legislation.

Mr. Renwick: So we are speaking about the specific, clearly defined geographic limits of the particular plant in the particular location?

Hon. Mr. Elgie: That is right.

Mr. Renwick: I take it then that if a company picks up and moves to another location and starts up in that other location—let us assume for a moment that they have moved from the Oshawa area down to the shores of the Ottawa River, as plants have done—is that a partial shutdown or is that a permanent discontinuance of the business at that establishment? Is severance pay payable in those circumstances?

Hon. Mr. Elgie: Mr. Chairman, technically, under this legislation as I understand it, and subject to counsel correcting me, that would be considered a shutdown. But I would remind the member that employers who offer reasonable alternative employment, for example at the new location, would be exempt from this legislation.

Mr. Renwick: But in the case I gave that would be a permanent shutdown of the business of the employer at that establishment?

Hon. Mr. Elgie: That is my understanding, Mr. Chairman.

Mr. Renwick: What would happen if two companies were to merge or be amalgamated, or if one company were to purchase another company at a particular location, and, as a result of the merger and for other economic reasons, they dismissed a significant part of the employees of the plant who come within the provisions of this new section 40a(1)(a)? What would result in that case? Would that be considered a permanent discontinuance of all or part of the business of the employer at an establishment?

I am thinking about the numbers of business combinations by amalgamation or merger or purchase of assets or whatever it may be with the result that over 50 employees lose their employment. Are they going to be entitled to severance pay, and if so, will it be on the basis of their long period of employment? I cannot conceive that this particular situation is covered by this clause, but I would like the minister's comment on it.

Hon. Mr. Elgie: Mr. Chairman, I do not know that I can resolve all the jurisprudence that may evolve as this bill gets interpreted from time to time. I am not certain I can give the member an exact answer. I think the key is whether or not there is a termination, a closure, of part or all of that business. As he knows, on the sale of a business the rights flow to the new owner, and I guess it would depend on whether or not there is a partial or a total closure. But as to an exact interpretation I think the member well knows that will be subject to jurisprudence over the years following.

Mr. Renwick: So I take it if there is a merger of two plants so that one plant is shut down at one location, and as a result thereof, a number of people in the new company lose their employment, they would have the benefit of these provisions with respect to severance pay.

1:10 p.m.

Hon. Mr. Elgie: Mr. Chairman, I understand the member and I think he is making a very valid point. But with due respect, I am not now prepared to provide comments that would impede the jurisprudence that will develop on these matters. I am sure he understands that. He knows the intention of the legislation. There will be a variety of situations that will develop

over the years that will require some jurisprudence. If untoward things develop then we will have to introduce amendments to correct those matters.

I think the bill will have to stand on its own and will have to be subject to that kind of jurisprudence over the years and if something untoward develops we will have to look at it.

Mr. Renwick: Another area that really bothers me is the question of indefinite layoffs in circumstances where the same impact is felt by the people who are laid off as if there had been a partial shutdown of the business at that establishment. I guess the classic example was the Inco layoffs which went on for a considerable period of time.

I am confused as to the impact what you are doing in the statute will have on the provision which appears in regulation 251. There is an item in that regulation which states that notice of indefinite layoffs shall be deemed to be notice of termination of employment. It provides specifically that termination of employment includes a layoff of a person for a period longer than a temporary layoff and then defines at some considerable length what a temporary layoff is.

As I read the bill, if there is an indefinite layoff there is a termination of employment because it is for a longer period than the period of temporary layoff as defined. There is no discontinuance from the business—permanently or in part—of the employee at the establishment. Those employees do not have the benefit of the severance pay provisions in the bill.

Hon. Mr. Elgie: Mr. Chairman, I think the member has accurately interpreted the bill and it is the way I explained it on two occasions during debate or discussions on it. It is true this legislation deals with closure—either total or partial. It does not relate to terminations which are being carried out because there is either a constriction of the business or a temporary discontinuance, such as the recent American Motors situation that you will recall—since you are always interested in what happens in Brampton, I know. They were shut down for a considerable period of time and then started up and all the employees were brought back. This bill does not cover those types of situations.

The problem that jurisprudence will have to resolve is at what point does an indefinite layoff which constitutes some sort of discontinuation of all or part become a complete closure or a partial closure. Those are matters that jurisprudence will have to develop. Again if problems

seem to be developing in the interpretations that are coming forth, then we will have to look at those too. But it is a new area and it is going to require some thought and consideration over the years.

Mr. Renwick: Mr. Chairman, to clarify that point, and assuming there is no further discussion on section 40a(1)(a) and that I can now move an amendment on 40a(2)(a), I would like to move that amendment.

The Deputy Chairman: Mr. Renwick moves that section 40a(2) of the act as set out in section 2(1) of the bill be amended by adding thereto the following clause: “(h) an employee who is on a layoff which extends beyond 26 consecutive weeks.”

He also moved that the following be added as section 2(7): “An employee having received severance pay pursuant to item (h) of subsection (2) shall not thereby forfeit any right of recall to which he may otherwise be entitled.”

Mr. Renwick: Mr. Chairman, what I am trying to get at here is a case where there is an indefinite layoff. I have not used the 13-week period which is one of the operative parts of the regulation in the definition of temporary layoff. I have arbitrarily picked 26 weeks—so there is no magic in 26 consecutive weeks.

I have tried to say if there is an indefinite layoff that extends beyond 26 weeks, at that point it seemed reasonable to me an employee should be able to treat the layoff as a termination of the employment and to preserve his right of recall, but to call for his severance pay. Otherwise, I can envisage circumstances where the provision with respect to giving notice of indefinite layoff will vitiate the operation of the provision with respect to severance pay.

I would be delighted to be told I am wrong but it does seem to me that at some point you have to say a layoff ceases to be an indefinite layoff and is equivalent to a termination where all of the other parts of the bill are not in question. That is, there has been a partial closure of the plant or a full closure of the plant. Those employees somewhere down the line should be able to say this is equivalent to having received in the initial instance the notice of termination as a group and that therefore we are now entitled to our severance pay.

All I attempted to do by adding the additional subsection 7 was to say the closure did not have anything to do with the employees and they should not give up whatever right of recall they have. But the gut provision of the amendment is

to try to do something about the indefinite layoff by establishing a clear rule that would apply. I would appreciate the minister's explanation of whether that amendment is necessary.

Hon. Mr. Elgie: Mr. Chairman, I think the member's amendment proposes one of two options. One is to introduce an entirely new concept beyond that proposed in the bill—namely, that it is to apply only to closure. Or I am not sure whether he is suggesting this amendment would simply say after a business is not in operation for a period of 26 weeks—either a total or a partial discontinuation of work—it is deemed to be a closure for purposes of subsection 7.

If it is the former I cannot accept it. If it is the latter I think those are matters that are going to have to be solved by jurisprudence. I do not say it is going to be easy to do it, nor do I say it is appropriate to resolve it the way you are trying to do here.

For instance, in the recent case of American Motors that I referred to, their indefinite layoff went longer than 26 weeks—some two, three, four weeks longer. Again that is the problem we have all been talking about whenever you set dates or times or periods. That is why these are matters that are going to have to be resolved in jurisprudence, just when it is deemed a business is partially or totally shut down.

1:20 p.m.

Again I want to assure the member if problems develop with that definition in jurisprudence I will certainly address myself to those problems. I do not think the method he is proposing is appropriate because it could well jeopardize the starting up of many industries, for instance, the particular example I gave of American Motors. I think it could well have jeopardized the reopening of that particular plant.

I might also say I am a little surprised at the second part of his amendment because as he knows, in most collective agreements if severance pay is accepted the right to recall is forfeited. I am surprised that he went against the trend in most collective agreements in his suggestion.

Mr. Renwick: I think the minister understands the situation I am talking about, and I have difficulty in thinking that jurisprudence can solve that kind of problem. When you have a situation where 50 or more employees are given notice of indefinite layoff in a period of six

months or less, the result of that is there is a discontinuance of the business, either in whole or in part.

If the indefinite layoff continues for a period of time, presumably under regulation 291, if one started to refer to the provisions which I referred to earlier, the indefinite layoff is equivalent to notice of termination of employment. Then you find termination of employment to be defined as something in excess of temporary layoff, and you have long list of what constitutes temporary layoff, but the operative part being 13 weeks. I have used 26 weeks, but after 13 weeks or after 26 weeks, where there is a partial closure, surely we in this Legislature are not going to leave the question of entitlement to severance pay on whether or not it was permanent, a permanent discontinuance of all or part of the business.

Surely there must be a point in time where the rules say, regardless of what you call it, it becomes a permanent discontinuance of all or a part of the business, depending on the circumstances, and at that point the employee should be able to call for the severance pay. I am not talking about the actual period of time—that always must be arbitrary—but I do feel very much concerned that we are creating a situation where indefinite layoffs will not have a specific rule for providing entitlement for that severance pay to an employee when the plant is partially shut down or totally shut down, when nobody can say whether it is permanent.

The minister said he wanted to leave it to jurisprudence. I just think it is unfair to the working person to leave that question to jurisprudence. At some point he should be able to say: "Look, the plant has been shut down, discontinued. It has gone on for 26 weeks," or "It has gone on for X number of weeks, and I am an employee; had it originally been a notice of termination and the shutdown had taken place as a permanent matter I would have been entitled to severance pay. Now I must call for my severance pay, and I should be entitled to do that." I think there is a serious gap in the bill.

Mr. Wrye: Mr. Chairman, I would like to associate myself with the remarks just made by the member for Riverdale, who I think speaks for some of the concerns that we have had in this party ever since the bill was first introduced. That concern was what would happen in the event of indefinite layoffs that go on for months and months and then almost into years without a permanent shutdown and what happens to those employees. I think it is a serious gap in the bill.

I am not sure that the amendment as proposed by the member for Riverdale is the perfect solution, but I think it is a better solution than the suggestion from the minister that we leave it to jurisprudence. We agree with the first part of the amendment, but we have a problem with the second part—but despite that, I think on balance the amendment is a good one and one which this party will support.

Hon. Mr. Elgie: Mr. Chairman, I have no argument with the motivation for the amendment, believe me. I am just saying there will be such a great variety of circumstances that will lead to the director of the employment standards branch determining if there has been a closure, that one should not tie his hands in any way. When, for example, at American Motors it was 28 or 29 weeks, that could have jeopardized the reopening of the plant.

I think he should have that kind of discretion and let jurisprudence develop from that on the basis of appeals to determine what closure of the plant is in terms of the common law. That is the way this society has functioned in this common law country for years, and it has worked pretty well. Mr. Justice Riddell used to say that the common law worked very well until Parliament intervened. Probably this is the kind of approach we should take here.

The Deputy Chairman: All those in favour of the amendment will please say “aye.”

Those opposed will please say “nay.”

In my opinion the nays have it.

Amendment stacked.

Mr. Renwick: I would ask another question that bothers me. Let me see if I can express it clearly. The clause which bothers me is contained in the regulation, and I recognize the regulations apply to part 12. I am not certain that it is necessarily appropriate to the point I want to make. The problem is obviously one that has been addressed in the regulations. It says, in regulation 251, item 14, subsection 2: “Successive periods of employment of a person by an employer shall constitute one period of employment except where the successive periods of employment are more than 13 weeks apart in which case the period of last employment shall constitute the period of employment for the purpose of part 12 of the act.”

I would get very worried if a long-term employee suddenly finds that he is not entitled to the benefit of the full period of his service because he has been terminated for more than 13 weeks so that he has successive periods of

employment, as I read this, “where the successive periods of employment are more than 13 weeks apart, in which case the period of last employment shall constitute the period of employment for the purpose of part 12 of the act.”

Am I facing a real danger that someone with a significant period of employment could find he had been not employed by that employer for over 13 weeks and returned to employment—whatever the technical terminology would be about that return to employment—to have them say, “Oh well, you are an employee, but you have only two years service because you remember that although you have worked here for 20 years there was a 14 or 20 or 26-week gap in the period of your employment”? Surely there must be some protection for the working person against that kind of interpretation of the rules applicable to part 12.

Hon. Mr. Elgie: Mr. Chairman, I must be quite frank with the member; I do not know the answer to that question. I will certainly have counsel prepare a response for me and will get back to you with it.

Mr. Renwick: My last comment in this area expressing my concern is that I take it that as promptly as possible the minister will look at regulation 251 to make sure there are no hidden anomalies in here by virtue of that regulation that will vitiate the principle we are trying to establish, which is that a person should be entitled to severance pay for the full period of his employment and not be hung up on some technical rule that there was a gap or an interruption in his employment in excess of 13 weeks, in a situation where it is not the employee's determination that that interruption in his employment should take place.

1:30 p.m.

The Deputy Chairman: Is there any further discussion on section 2? There being some amendments that have been stacked, could we proceed to section 3?

Mr. Renwick: I have a further amendment to section 2(1) of the bill.

The Deputy Chairman: Mr. Renwick moves that section 40a of the act as set out in section 2 of the bill be amended by adding a new subsection 4 as follows, “No employee entitled to severance pay under this section shall forfeit the pay by reason only that he left his employment prior to the termination date set out in his notice of termination in order to seek other employment,” and that the following subsections be renumbered.

Mr. Renwick: Mr. Chairman, I think the amendment is self-explanatory. I do not think it is covered anywhere else in the bill. I would not want a situation to arise where all the other factors are operative and notice has been given, but prior to the actual date of termination of the employment the employee leaves to get another position or to seek other employment, in other words, he anticipates the fact that he is going to be out of work, he makes some effort to get other employment, and he leaves before the actual date of termination as set out in his notice of termination. As I read it, any employee at the present time taking that action would forfeit his right to severance pay.

I may be wrong in my interpretation but that is the way I read it, and I think it is a necessary provision to be included in the bill. I would not be at all surprised that, without defeating the purpose of the bill, it might well be included in a regulation. The minister may want time to think about it but the point has to be made. I hope the minister can satisfy me that it will be met.

Hon. Mr. Elgie: I must say I understand what the member is driving at. Would it not seem inequitable to him, however, when the employer, who has complied with the law, has given the notice required and is carrying on business, that those who leave early receive the same benefits as those who stay on to complete the work as required with the company they have served for so many years?

I do not quite understand the logic of that, and I suspect that is why, in many of the collective agreements that do deal with this matter specifically, there is mention of being available to stay on for work as part of the severance pay requirement. That is why, I presume, in Canada and the United Kingdom they have specifically excluded from severance pay people who leave early.

I do not think I am alone in feeling it would be very inequitable to treat those who stay differently from those who choose to leave early, but that does not preclude voluntary or contractual arrangements to the contrary. Indeed, in many of the closure situations I have had to deal with personally, there have been provisions made for certain numbers of employees to leave early. The bill does not preclude that type of arrangement. As a basic standard, surely the member is not suggesting that there should be that inequity between those who stay and fulfil the commitment to termination and those who do not?

Mr. Renwick: Mr. Chairman, for each instance that the minister can give I can give the opposite instance. The minister must know that.

What about the employee who has been there for 25 years, is terminated, is very anxious, concerned and distressed about what his future is going to be, has an opportunity given to him to take another position and leaves before the actual expiration of the period of time set out in the notice? Does the minister mean he is to forfeit his severance pay?

I am not suggesting for a moment that we are talking about a situation where everybody, having received notice of termination, leaves and claims severance pay. But I am saying that I see nothing in the act and nothing in the regulation that relieves that kind of inequity. It cannot be all one way and it cannot be all the other without destroying the equity. I think the minister has to look at it and give us assurance that he will do so.

My own view is that if the minister cannot solve it he has to accept our amendment, because that is the way it should be. The person who needs the assistance, the person who needs the severance pay, the person who is the reason for the severance pay, is the working person, not the employer. I think the minister has to give us some assurance that he is aware of the problem and that he is going to deal with it.

Mr. Laughren: Mr. Chairman, I understand what the minister is saying, and I might even buy what he was saying if I thought the whole layoff procedure—or the shutdown or whatever it is—were a negotiated process in which the workers had some role to play. But the workers have no say in this whatsoever, and yet there is the implication that if the worker changes jobs or finds other employment then everything is equal, that suddenly there is equity between what the employers had to do under the act and what the worker has received as a result of the act.

It seems to me that this is wrong, that we have taken a worker—who knows how long he has been in employment?—whose work is disrupted relatively suddenly; it ends, it ceases. That can put that person through a wringer. To say that the worker might end up gaining something he should not gain, I find a very strange argument. It might be for legitimate reasons that the place is closing—I am not saying there are never legitimate reasons for closures or layoffs—but, regardless of that, the worker is at the mercy of the employer.

To suggest that an employee who decides to stay to the end should be rewarded, whereas the person who leaves early should not be rewarded, is a fallacious argument. In the first place,

the employer probably does not want them all to stay to the end—he is reducing the work force—and, in the second place, the employees who stay to the end probably do so because they have not been able to find something else to go to. Why else would they stay to the end?

If the job is running out and a job opportunity comes up, that employee would have to be very strangely motivated not to jump at that new job opportunity, because who is to say it is going to be there in another two weeks, four weeks or even six weeks? I think the minister should not regard the two parties as equal in this case.

Mr. Wrye: Mr. Chairman, I have listened to the arguments from both the mover of this amendment and the minister. I have had some discussions on the matter, and I think the member for Riverdale pointed out the dilemma we all face in that the bill, as he so rightly points out, does not speak to this one issue of the employee who may find himself, in the course of the period after termination is given but before the termination date actually arrives, in a position where he can get other employment. Perhaps the employment will be at a rate lower than that he was making in the plant at which he was employed, and yet he is caught at that point because, if he does so, he could forfeit his severance pay. The minister has pointed out with some justification that one surely would not want to discriminate against those employees who stay until the termination date.

1:40 p.m.

I suppose that once again—we have had a number of these today—what this points to is that the select committee should have been reconstituted. The minister himself has said on a number of occasions, “We will have to see how it works.” Surely, had the select committee been reconstituted, we could have brought these matters forward, and we could have made arrangements for this kind of detail.

I find myself in a terrible dilemma in that the member for Riverdale has addressed a very real problem, a very real hole in this bill. Yet I think his amendment on this basis is probably too extreme. He could have worked out some middle ground where there could have been some penalty provision for those who get new employment, in that they would not get the entire amount of severance. That seemed to be what he was speaking to in his remarks that perhaps there should be some penalty provision.

There should be some provision for at least

partial severance for someone who is lucky enough, knowing that he is going to be unemployed, to get a new job in that period between the time notice is given and the termination date actually arrives. There should be some provision for at least partial severance payment. So, on balance, I say I do not think we on this side can support the amendment.

I say that regretfully to the member for Riverdale, but I say to the minister I am much more concerned that we are only now realizing the real problems this bill has. A select committee should have been established to look at these very important provisions, these very important details that are arising out of these amendments. I find it very distasteful to be in a position where we have to choose between two almost equally unpopular—how does one say it in French?—and unattractive alternatives. We have to choose between the two of them, and so we will regretfully oppose this amendment.

The Deputy Chairman: All those in favour of Mr. Renwick’s amendment will please say “aye.”

All those opposed will please say “nay.”

In my opinion, the nays have it.

Amendment stacked.

The Deputy Chairman: Any other debate on subsection 2 of section 2?

Mr. Laughren: I have a lengthy amendment, Mr. Chairman, to section 2.

The Deputy Chairman: Will you see that copies are distributed?

Mr. Laughren: It is a very lengthy amendment, and I would ask the indulgence of the House. I guess I will have to read it as I move it. It is a very important amendment; so I do apologize for the length.

I move that section 2 of the bill be amended by adding thereto the following subsection:

“Part XII of the said act is amended by adding thereto the following sections:

“40b. In this part,

“(a) ‘board’ means a job protection board;

“(b) ‘minister’ means the Minister of Labour;

“(c) ‘plant closing’ includes the closing of part of a plant or the closing of a product line in a plant that results in the permanent loss of employment for 25 or more employees.

“40c. (1) There is hereby established a job protection board to be composed of five persons appointed by the Lieutenant Governor in Council.

“(2) The Lieutenant Governor in Council should appoint one of the members of the board

who shall be a full-time member as chairman and may appoint one or other such members as vice-chairman.

“(3) The Lieutenant Governor in Council shall appoint persons to the board who are representative of industry and labour.

“(4) Three members of the board, one of whom shall be the chairman or vice-chairman, constitute a quorum and they exercise all the powers of the board, notwithstanding any vacancy in the membership.

“(5) The chairman shall have general supervision and direction over the conduct of the affairs of the board and shall arrange the sittings of the board and assign members to conduct hearings as circumstances require.

“(6) The Lieutenant Governor in Council may appoint a registrar for the board who shall perform such duties as are assigned to him under this or any other act or by the chairman of the board.

“(7) The registrar of the board and every member of the board have power to administer oaths and affirmations for the purpose of any of its proceedings.

“40d. The objectives of the job protection board are to inquire into the causes of intended layoffs and plant closings, to assess the social and economic impact of such layoffs and plant closings on individual employees and communities and to recommend specific action”—

The Deputy Chairman: Mr. Laughren, this amendment is outside the scope and general definition of the bill. I am going to rule this is not an amendment and is therefore out of order.

Mr. Laughren: Are you serious?

The Deputy Chairman: Yes.

Mr. Renwick: Mr. Chairman, will you elaborate? What we are talking about is a complex bill that deals with a question related to plant closures and layoffs. The question of justification and reason is an essential ingredient of the hardship to which working people are put in those circumstances.

Within the scope of the bill, given the statement that is made in the bill, it appeared to us appropriate to establish in law the provisions the minister uses in circumstances that led to this particular severance pay provision. In section 1(1) of the bill an explanatory note—

The Deputy Chairman: Mr. Renwick, you are debating my ruling. The ruling is that in the second reading of the bill in the House there was

no approval given for the establishment of a board, and on the basis of that I have declared this amendment out of order. That is the ruling.

Is there any other discussion or debate that you have on—

Mr. Laughren: Mr. Chairman, can I speak to—

The Deputy Chairman: On what point, Mr. Laughren? Is this a point or order or a point of personal privilege?

Mr. Laughren: Mr. Chairman, on a point of order, yes—a point of view, even.

The Deputy Chairman: Please tell me what it is you are talking about.

Mr. Laughren: Mr. Chairman, on a point of order: If you look at section 1, subsection 1 of the explanatory notes of the act we are debating, it states that it will “give the minister specific authority to require employers to participate in actions”—et cetera—and refers to “the establishment of committees to facilitate the re-establishment in employment of employees whose employment is being terminated and to require employers to participate in the funding of any such committee.”

It seems to me what we are doing is simply expanding on that principle of the amendment by establishing a job protection board, and that really is not outside the jurisdiction of the act.

The Deputy Chairman: Thank you. The ruling stands.

Mr. Laughren: Mr. Chairman, you looked like you were being persuaded.

The Deputy Chairman: I almost was. It was a good case.

Is there any further debate on section 2?

Mr. Renwick: I would like to comment on the other provisions in the bill, Mr. Chairman.

The Deputy Chairman: In that case the bill is stood down.

1:50 p.m.

WORKMEN'S COMPENSATION AMENDMENT ACT

Consideration of Bill 129, An Act to amend the Workmen's Compensation Act.

Mr. Laughren: Mr. Chairman, I bear no grudges. Despite your ruling, I intend to participate with you in this debate.

The Deputy Chairman: I appreciate that. I will remember you all summer long.

On section 1:

Mr. Laughren: I have an amendment to section 1 of the act. May I move it?

The Deputy Chairman: Do you have a copy of this being circulated? Do you have copies for me, the minister and a copy—

Mr. Laughren: It has been circulated to the minister and to the opposition. Perhaps I ignored the most important person of all.

The Deputy Chairman: Mr. Laughren, we do not have a copy at the table. Can you see that we get one?

Mr. Laughren: There is a package of amendments, Mr. Chairman, not just one.

The Deputy Chairman: Mr. Laughren moves that section 36(1) of the act, as set out in section 1(1a) of the bill, be amended by striking out "\$1,200" and substituting "\$1,900"; in section 1(1c)(i) striking out "\$447" and substituting "\$621"; in section 1(1c)(ii) striking out "\$492" and substituting "\$695"; in section 1(1d)(i) striking out "\$447", "\$123" and "\$139" and substituting respectively "\$621", "\$171" and "\$193"; in section 1(1d)(ii) striking out "\$492", "\$136" and "\$153" and substituting respectively "\$695", "\$191" and "\$214"; in section 1(1e)(i) striking out "\$139" and substituting "\$193"; in section 1(1e)(ii) striking out "\$153" and substituting "\$216"; in section 1(1f)(i) striking out "\$447" and substituting "\$621"; and in section 1(1f)(ii) striking out "\$492" and substituting "\$695."

Mr. Laughren: Very briefly, Mr. Chairman, just to explain that rather lengthy amendment to section 1 of the bill, the first \$1,200 to \$1,900 is the allowance for burial expense, which we think should be moved up to \$1,900. Moving from \$447 to \$621 is the monthly pension for widows effective July 1980 and then bumping it up to \$695 on July 1, 1981, when there is a sole dependant.

Moving from \$447 to \$621 and then up to \$695 is when there is one or more dependent children after a worker is killed on the job. In that case there would be an increase in the amount for each child as well, from \$123 to \$171 in 1980 and \$191 in 1981, and from \$139 to \$193 in 1980 and \$214 in 1981. When all the dependants are children—when there is no widow or widower in place—then it would bump up the amount that would go to those dependants too, to \$193 in 1980 and to \$216 on July 1, 1981.

There is a catch-all clause in the bill which refers to all other dependants who do not fit into those categories. We would move that up to \$621 in 1980 and \$695 in 1981.

Briefly, while it may look complicated in

written form, all it is really doing is increasing the amount of pension to dependants of workers killed on the job.

Ms. Copps: Mr. Chairman, I want to speak in favour of the amendment. I think it recognizes an equal contribution from both partners in the case of a widow whose spouse has been killed on the job. I believe the figure that is quoted in the amendment is more in line with the kind of remuneration that would be paid to a worker who is totally disabled as a result of a compensable injury.

I think the spirit of equality should be endorsed, and I think this amendment does speak to that spirit. I also suggest that if the amendment does carry, and if the subsequent amendment carries with respect to the permanent disability pension, perhaps we could consider incorporating an amendment that will keep both the widow's pension and the pension of the person on permanent total disability aligned. Then the spirit of equality would not be violated with respect to spouses whose husbands or wives have been injured on the job.

Hon. Mr. Elgie: Mr. Chairman, I cannot accept this amendment. It comes on the verge of a white paper for consideration by this House and by the public which proposes major reforms in the workmen's compensation system. Also, the government has put forward interim pension benefit awards that are in keeping with the inflationary changes over the prior two years.

These amendments in their totality range anywhere from a 90 per cent increase in some instances to 50 per cent in the first year and 12 per cent in the second in other instances and, at the very lowest figure, 39 per cent in the first year and 12 per cent, which compounded comes to 56 per cent over two years. I think that to introduce amendments like this is really a little strange when we were on the verge of considering significant reforms to the compensation system.

According to my calculations, these amendments come to something in the neighbourhood of \$1 billion. I am interested in reforming the compensation system, not because the original idea was wrong, because it was right. It was in the forefront, and the member knows that. What he is doing in these amendments, with respect, is to try to detract significantly from that process of consideration which I had hoped the white paper would receive. I have to oppose these amendments.

Mr. Laughren: Mr. Chairman, that is an

outrageous allegation. Injured workers in the province are getting tired of always being on the verge of a breakthrough in compensation. There is always either a white paper or a royal commission or some kind of study going on that is going to make things better tomorrow.

We are saying we are tired of being on the verge and it is time to put in some decent levels of benefits for workers and their dependants in the province.

Mr. Chairman: All those in favour of Mr. Laughren's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Amendment stacked.

2 p.m.

The Deputy Chairman: Mr. Laughren moves that section 36(7) of the act, as set out in section 2(1) of the bill, be amended by striking out "\$1,200" and substituting "\$1,900."

Mr. Laughren: Mr. Chairman, may I speak briefly to that? That is simply the amount that is a lump sum payment to a widow or widower in the case of a death of a worker on the job or as a result of an accident on the job.

Hon. Mr. Elgie: Mr. Chairman, we cannot accept this amendment for the very reasons I gave before. This government is in favour of consideration of major reforms of the board. This particular amendment, which many of us have great sympathy with, constitutes—

Mr. Laughren: Oh, come on!

Hon. Mr. Elgie: Under the Weiler recommendations, there would be much more than that available, but the member is proposing a 90 per cent increase in an interim bill. Although the government favours the principle, it is being considered in the white paper and he knows it.

Ms. Copps: Mr. Chairman, I do not want to carry on the discussion, but I think the amendment as proposed, with the \$700 increase in the payment of death benefits, is a small price to pay to the widows and orphans of this province who have lost spouses and fathers in work accidents.

The Deputy Chairman: All those in favour of Mr. Laughren's amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

The Deputy Chairman: Mr. Laughren moves that subsections 42(8) and 42(9) of the act, as set

out in section 4 of the bill, be amended by striking out in subsection 8 the figure "9" and substituting the figure "39", and by striking out in subsection 9 the figure "10" and substituting the figure "12."

Mr. Laughren: Mr. Chairman, the reason we have done this is to remove the erosion of the Davis years from workers' permanent disability pensions. We have gone back to 1971; I know we could have gone back a lot farther than that, but we thought it was very nice to put in parentheses the erosion of pensions and tie it in with the Davis years of government in Ontario. We believe that is the amount by which the permanent disability pensions of injured workers have been eroded in the last 10 years, and that is the reason for the number "39."

Hon. Mr. Elgie: Mr. Chairman, once again, I will not accept that amendment on behalf of the government, not because the government does not believe that reform is necessary but because it has that process of reform now out for consideration. In the meantime, we are proposing interim benefits in keeping with inflation.

Ms. Copps: Mr. Chairman, in keeping with what the minister has said, if he does support the spirit of the amendment, I think he would have no choice but to endorse the amendment because, although this is interim legislation, there are people in this province who have interim lives to lead and who have seen their standard of living eroded time and again by unequal distribution of income with respect to the workmen's compensation system.

I do not think we can stall on this question any longer. I think the amendment is attempting to redress the loss of income that was seen through the Davis years, and our party has no choice but to support the amendment, because we believe that workers in this province are not receiving a fair share at present.

Mr. Laughren: Mr. Chairman, perhaps the minister would like to engage in some horse-trading this afternoon.

Mr. Nixon: On a point of order, Mr. Chairman: Before the horse-trading begins, are we not at this stage supposed to be undertaking ministerial statements? Are we finishing the bill?

The Deputy Chairman: I am ready for a motion at some point.

Mr. Laughren: Mr. Chairman, it raises one amendment. I just want to conclude by saying that, if the minister wants to engage in some horse-trading, I suspect the injured workers of

Ontario would be quite happy to trade his sympathy and concern and the white paper and all other future reports for a decent level of benefits.

The Deputy Chairman: All those in favour of Mr. Laughren's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

On motion by Hon. Mr. Welch, the committee of the whole House reported progress.

MINISTERS' RESPONSES

Mr. Smith: Mr. Speaker, I rise on a point of order to bring your attention to a matter of considerable concern to me relating to the conduct of public business in this Legislature and in particular relating to question period.

As you well know, Mr. Speaker, a minister may decide to answer an oral question or a written inquiry in any way he pleases. Indeed, standing order 27(i) states, "A minister may, in his discretion, decline to answer any question." That is with regard to oral questions, and there is a similar provision for written inquiries.

My first concern is with respect to the habit of the government ministers to undertake to respond to a question and then to neglect to follow up with any response.

To take the example of the Minister of Consumer and Commercial Relations (Mr. Walker), on April 30, fully two months ago, I brought to the attention of this House a series of serious allegations concerning the role of the Ontario Securities Commission in the Astra/Re-Mor affair. The minister stated at the time that he would come back to this House with answers to these charges. Since then he has been asked in the House for those answers on May 11, May 19 and June 11. Each time he has reiterated his intention to respond, but we have yet to receive any answer.

Similarly, on June 17, I queried the Minister of Consumer and Commercial Relations concerning the role of his ministry in the collapse of Co-operative Health Services of Ontario. The minister said he did not have any answers, but he undertook to make inquiries and get back to us. It has been two weeks and we have not heard a peep from him.

Another matter that I draw to your attention, Mr. Speaker, is the 41 questions on the Order Paper from members of my caucus concerning the advertising expenditures of various minis-

tries of this government. An answer was promised for mid-June and we have not heard anything since.

Without taking up too much more time, I want to raise the matter of the lands in the town of Vaughan. Here was a case where we in the opposition could not receive from this government anything approaching a reasonable and plausible chronology of the events that transpired between the various ministers and parliamentary assistants involved.

Mr. Speaker, I appreciate that you may not be able to police the activities of the ministers of this government, but surely every citizen of this province would be surprised, if not shocked, to learn that ministers of the crown are not required to answer questions with reasonable diligence, promptness and honesty. Is that really asking too much of Her Majesty's ministers?

In view of the fact that ministers are entitled to refuse to answer but instead of refusing to answer they are promising answers that never appear. Could you, sir, offer any advice that would assist this assembly to meet the requirements of an open and responsive Legislature, which the citizens of Ontario surely expect of us?

2:10 p.m.

Mr. Speaker: Thank you, Mr. Smith. I suggest that you direct your question to the government House leader (Mr. Wells) when he comes in.

REMARKS BY SPEAKER

Mr. Philip: Mr. Speaker, I rise on a point of privilege. This point of privilege will come as no surprise to you, Mr. Speaker, since I advised you of the contents of the issue I will be raising in order that you might prepare your response since it concerns your own actions.

On Saturday, June 27, at approximately 12:25 p.m., a broadcast was carried over CFMP-FM in Peterborough in which you expressed certain opinions. The broadcast was repeated on the same station at approximately the same time on Sunday, June 28. In this broadcast you made a favourable pitch for an item of government legislation, one that is before the House today and one that has been the focus of considerable partisan dispute.

You made no reference to the role of the opposition in pressing for this legislation and, indeed, you credited the government alone with having initiated hearings which led to the present bill. You enumerated the specific pro-

visions of the bill, making not so much as an implicit acknowledgement of the criticisms of same made by our party and by the labour movement. You concluded the tape by stating, and I quote: "The government believes this legislation represents a major step forward." The signoff was "John Turner, Queen's Park."

Mr. Speaker, in my opinion, your broadcast to your constituents certainly breached the well-established convention that the Speaker at all times must be at pains to avoid seeming partisan lest he undermine his standing as a presiding officer in the Legislative Assembly.

Specifically, in this broadcast carried over the airwaves to many ridings, and not only to your own, you advocated the merits of a government bill that was to be debated in this House. You did so before the debate had been concluded and hence disdained the possibility that opposition amendments might pass.

You made no mention of the role played by opposition parties in pressing for legislation in this area, such as NDP pressure for committee hearings, and you made no mention at all of NDP amendments to and criticisms of the current bill, though you did cite several specifics in explaining beneficial effects of this initiative.

In short, you clearly broadcast as a Tory MPP. In no way did your presentation of this highly contentious piece of legislation acknowledge the existence of the two other parties in the House, let alone reflect a sense that you as Speaker are a servant of this whole House.

For a Speaker, you acted as a Tory backbencher. I find it an outrageous affront to this parliament that you as the chief presiding officer would speak in a partisan manner about a bill that was still to come before the House.

This is not the first time you have failed to recognize your important role as Speaker of the assembly and have demeaned the office by acting in a highly partisan manner. In the light of my criticisms, Mr. Speaker, I believe you owe all members of the House an apology.

Mr. Speaker: Thank you, Mr. Philip. I want to thank you very much for the opportunity and for making me aware before you rose on this point of privilege. I will read a statement, if I may, which I prepared rather hurriedly, but I think it explains my position.

Earlier today, the member for Etobicoke (Mr. Philip) was kind enough to speak privately with me about a concern he wished to bring to the attention of the House involving a regular radio broadcast I make to my constituents. First of all,

I want to thank the member for this notice and concern. Having had an opportunity to review the text of the short broadcast, I wish to make some brief comments to the House.

Mr. Philip expressed concern that I was commenting on a topical matter that was, or would be, before the House, and on which my independence as Speaker might subsequently be tested. The report was on the Employment Standards Act, debated here earlier today, dealing with matters that I know are of strong concern to that member and his party.

Given the concern members of the House have previously expressed on the scope of public commentary which the Speaker should make to his constituents, I think it best that I simply read the text of the broadcast to the House at this time:

"In a world of economic turmoil, the strength and prosperity of our province's economy is something we can all take pride in. Still, there is no denying that in recent months high interest rates, inflation and the recession in the United States have taken their toll on some of Ontario's industries and workers.

"Recognizing this problem, the Ontario government began looking into the need to introduce severance pay legislation to help people who have lost their jobs because of a plant closure. As a result, An Act to amend the Employment Standards Act was introduced in the House on June 4.

"This bill will make severance pay mandatory for workers who lose their jobs in a full or partial plant shutdown involving at least 50 employees over a six-month period. These workers will be entitled to one week's pay for each year of service to the company, with a maximum benefit of 26 weeks' pay.

"To be eligible, workers will have to have at least five years' service with the employer. Regular full- and part-time employees will be eligible for severance pay but casual employees will not. If an employee refuses an offer of a reasonable alternative job from his employer, he will not be eligible for severance pay as will those who are entitled to receive their full pensions when a plant shuts down.

"Of course, the most important priority for workers who are laid off is to find a new job. The new severance pay legislation will also help workers solve this problem by authorizing the Ministry of Labour to make employers participate in manpower adjustment committees. In general, these committees will be made up of representatives from business, labour and the

government. Their purpose will be to find new jobs for workers and suggest job training programs for those needing to develop new skills.

"Employers will also be required to take any further action deemed necessary to help laid-off workers find new jobs. Naturally, the circumstances surrounding a plant shutdown will be taken into account when applying this new legislation. For example, employees of a bankrupt company will be eligible for severance pay, but only to the extent the assets are available to satisfy their claims.

"Similarly, if a plant has to be closed as a direct result of the economic consequences of a strike, the striking employees will not be eligible for severance pay. In this way, the rights of employers will be protected. These proposed severance pay measures will be retroactive to January 1 of this year.

"The government believes this legislation represents a major step forward in ensuring that people who lose their jobs when a business closes down are treated fairly and equitably."

Further, I have sought opinion today on the appropriateness of the text, and some advice has been given to the effect that, however factual and objective my comments were about the content of the bill before the House entered debate on it, it should be preferable that the Speaker try to avoid entering into public discussion of topical matters expected to be taken up by the House. I abide by that opinion and undertake to reflect it in the future to the best of my ability.

I wish to point out that broadcast was made on June 27, 1981, and from the information I have, the bill was debated before the broadcast, on June 25.

May I say to the House I had no interest in being partisan or less than objective in the text. As members will know, my riding has a major industrial component and this legislation, which emanated following the work of the select committee on plant shutdowns and employee adjustment, of which I previously was a member, was of factual concern to me and indeed to many of my constituents.

It was solely for that reason that I chose to outline objectively the contents of that bill.

Mr. Roy: Mr. Speaker, may I make a comment on this point of—

Mr. Speaker: No, it is not debatable.

2:20 p.m.

Mr. Roy: On a point of privilege, Mr. Speaker.

Mr. Speaker: It is not a point of privilege, with all respect.

Mr. Roy: But it was a point involving your office, and it involves all members of the House.

Mr. Speaker: Order. It is a matter that has been dealt with—

Mr. Roy: How do you know it is not a point of privilege until I have raised it? That's what I am asking.

Mr. Speaker: You said you were speaking to the same point.

Mr. Roy: Your conduct is a matter of privilege involving all members—

Mr. Speaker: And I have given an explanation to the members of the House.

Mr. Roy: Do you have a further—

Mr. Speaker: Please resume your seat.

Mr. Roy: Mr. Speaker, on a point of privilege: I think my privileges are affected in this particular case. How can you rule on it until you have heard me?

Mr. Speaker: Because I had already heard it, and I have dealt with it.

Mr. Roy: Well, you have not heard me, Mr. Speaker. As one member whose privileges I think—

Mr. Speaker: Are you raising a new point of privilege?

Mr. Roy: No. It is the same point of privilege that has been raised. As a member here, and having heard your statement, Mr. Speaker, I just thought I should make one comment, if I might.

Mr. Speaker: All right. I will listen to that.

Mr. Roy: My point to you, Mr. Speaker, is simply this: I have listened closely to your statement, which the member for Etobicoke mentioned had been broadcast. I think my colleagues and I are in agreement that we do not see very much wrong or very offensive in the comments you made. My impression was that your statement seems to have been more informative than partisan, and I congratulate you on the basis of that. But I think the whole underpinning of the role of the Speaker—and I think you understand that—is your impartiality.

What I am trying to get across to you is simply that every time a statement is made representing a bill that is being debated before the House you should not get involved. If all these statements were as objective and as neutral as your comment indicated, there would be no problem. But even though the bill has had second

reading, there were further discussions on it. There were amendments put forward this morning by some of my colleagues and some of the NDP members.

I suggest respectfully—I am trying to be helpful—that the Speaker must be very careful in discussing matters that are before the House lest he be accused by some members, for political reasons or otherwise, of being partisan. That is the message I am trying to get across.

WELCOME TO VISITORS

Mr. Speaker: I ask all members of this House to extend a welcome to the Honourable Neil Stacey, member of the Legislative Council, State of Victoria, Australia, who is accompanied by Mrs. Stacey.

STATEMENTS BY THE MINISTRY

GO RAIL CAR ORDER

Hon. Mr. Snow: Mr. Speaker, I wish today to advise the members of the House that Government of Ontario Transit has placed an order for 71 additional bi-level rail coaches for delivery in 1983 and 1984.

The order, with Hawker Siddeley Canada Limited, designers of the car, is an add-on to the still-current order for the original 80 cars. They will be manufactured at their Canadian Car division plant in Thunder Bay.

The new order is valued at \$59 million, or \$825,000 per basic car, in 1981 dollars. It provides for escalation to offset increases in costs of labour and materials, plus a provision for optional extras or design modifications.

The new cars will increase GO's fleet of high-capacity double-decked cars to 151, sufficient to equip all GO trains operating in and out of Toronto today, including the three trains that will run on the new Toronto-Milton corridor starting this fall. The terms of the agreement with Hawker Siddeley also include an option to increase the order to permit expansion of commuter rail services when necessary.

Present single-level GO cars will be phased out with the arrival of new bi-levels. They will be sold on the North American market, where we have been advised there is a strong demand for commuter rail rolling stock.

The GO bi-level, already enthusiastically preferred by Ontario commuters, permits us to increase capacity without lengthening trains or running more trains on the restricted and costly railway rights of way.

While single-level cars only cost in the

neighbourhood of \$500,000 to \$600,000 each, the bi-levels with their greater seating capacity—some 75 per cent higher—cost-wise are actually much more economical to operate.

Members will appreciate that this substantial order will directly and indirectly provide some 700 man-years of employment, not only at the Thunder Bay plant but also elsewhere in Ontario and Canada where components are manufactured.

POSTAL DISPUTE

Hon. Mr. Ashe: Mr. Speaker, today I wish to briefly outline to the honourable members steps being taken by the Ministry of Revenue to ensure revenue flows and the delivery of guaranteed annual income system cheques during the current postal disruption.

On Thursday of this week, advertisements will be appearing in all daily newspapers reminding corporations and retail sales tax filers that tax payments can be made at their local chartered bank. The Ministry of Revenue has had this optional pay-at-the-bank system operative now for the past 18 months. Response from the business community has been favourable, and we are pleased to have this convenient payment method in place during this period of postal disruption.

Our print advertisements will also advise tax filers remitting payments to my ministry that their returns and cheques can be dropped off at any of our 64 field offices for prompt delivery to our taxation data centre in Toronto.

Of particular concern to my ministry is the assured delivery of 220,000 Gains cheques to senior citizens throughout the province. Consequently, the Ministry of Revenue is here and now guaranteeing the delivery of these cheques to each senior's household should the postal dispute continue beyond the fifteenth of this month.

Together, these contingency payment and delivery systems will ensure the continued flow of revenue into the provincial Treasury. As well, the seniors may rest assured that their Gains cheques will be delivered with the same punctuality that has characterized our mail-outs in the past.

FRUIT AND VEGETABLE PROGRAMS

Hon. Mr. Henderson: Mr. Speaker, today I want to tell the members the details of two different programs.

The first one is the five-year, \$1.5-million Ontario asparagus production incentive pro-

gram. The second is the five-year, \$1.5-million Ontario tender fruit for processing tree planting assistance program.

Farmers can qualify for the asparagus program by planting a minimum of five new acres of this important crop in one year. The program is backdated to cover plantings since April 1 of this year.

Grants will be paid for up to 50 new acres of asparagus a year during the program, up to a maximum of 150 acres. The grants will total \$500 per acre over three years: \$250 per acre for the first year, \$150 per acre in the second year of the planting and \$100 in the third year.

We expect that the program will help Ontario farmers plant an additional 3,000 acres of asparagus. This will double Ontario's asparagus production. My ministry's staff will be available to assist farmers in determining whether their land and soil are suited for asparagus.

More information and application forms now are available at all of my ministry's offices throughout the province.

The tender fruit tree program is intended to increase Ontario production of clingstone peaches for processing to 9,000 metric tons by 1990. Bartlett pear trees are also covered by the program. The trees may be used to fill in established blocks of orchards or for new plantings.

The program gives rebates covering the full price of suitable Ontario-grown trees purchased from commercial Ontario nurseries. There are two ways to qualify: For farmers making new plantings, a minimum of 150 trees must be purchased. Farmers who buy new trees to fill in existing orchard blocks must buy a number equal to at least 10 per cent of the number of trees already planted.

Information and application forms for the tender fruit tree program are also available at ministry offices.

I am sure both programs will be a great boon to Ontario farmers and to the consumers, who will be able to enjoy even more home-grown Ontario food.

2:30 p.m.

INTERNATIONAL BALLET COMPETITION

Hon. Mr. Baetz: Mr. Speaker, it gives me great pleasure to inform all honourable members that we have in the gallery today a group of very special guests—guests who have brought international honour to Canada and to the performing arts in our country.

I refer, of course, to the men and women of the National Ballet of Canada and the National Ballet School who have just returned home—in fact, last night—to Toronto from Moscow and an outstanding showing at last week's international ballet competition.

One hundred and three dancers from around the world competed at Moscow, and only 32 qualified for the finals. Of these, four represented Canada and one the United States. Most of the finalists were Russians.

Against very stiff competition, dancers from Canada won seven medals and prizes, more than any delegation other than the Russian group itself.

Kevin Pugh and Kim Glasco of the National Ballet of Canada won silver medals in the men's and women's senior category. In the junior men's category, Owen Montague won second prize. He also won the Moscow Ballet Academy prize for excellence, an award rarely bestowed upon a non-Russian. In the junior women's category Martine Lamy won a third prize. Both of these outstanding young dancers are in the National Ballet School program here in Toronto.

In the competition for best duo partnership, Miss Lamy and her partner, Serge Lavoie, won the junior prize. A special accompanist's award was presented to Mary McDonald, the principal pianist of the National Ballet of Canada.

The performance in Moscow was simply extraordinary, and the people of Ontario, whose tax dollars assist both the ballet and the school, should be very gratified by it.

It is now my pleasure to introduce our guests to all honourable members:

Dancers Kimberly Glasco, Kevin Pugh, Sabina Allemann and Martine Lamy; accompanist Mary McDonald; National Ballet teacher and coach Jean Geddes; National Ballet master David Scott; National Ballet mistress Joanne Nisbet; National Ballet artistic director Alexander Grant; and Miss Betty Oliphant, artistic director and ballet principal of the National Ballet School.

ORAL QUESTIONS

EQUALIZATION PAYMENTS

Mr. Smith: Mr. Speaker, I have a question for the Treasurer. I hope he does not do the usual pirouetting around the questions, as Miss Oliphant is capable of judging.

The Treasurer may be aware that in his absence I asked the permission of the Deputy

Premier (Mr. Welch) to direct a question on equalization to the parliamentary assistant, but the Deputy Premier refused that permission and then told me he did not know the answer himself.

Now that the Treasurer is here, will he explain how it is that he was outvoted nine to one by his colleagues from other provinces with regard to his equalization proposal in Vancouver last week?

Specifically, will the Treasurer answer one question, please? Will he tell us whether the proposal he presented represented a willingness on the part of the government of Ontario to accept equalization or other similar payments, provided that resource revenues were allowed to enter more fully into the formula? Did his proposal envisage that Ontario would now be willing to accept payments of some kind?

Hon. F. S. Miller: Mr. Speaker, to answer the first part of the question, there were nine of them and there was one of me; it is as simple of that. And, as I said to the press, the fact that it was nine to one did not mean I was not right.

Because this matter is a fairly technical one and because I happen to be the minister dealing in the main with equalization, I think it is proper the minister answer in this case. My parliamentary assistant is going to be looking after the pension work on my behalf and is going to be spending a good deal of his time looking into that. I am sure there will be many days when he can guide me in that matter as we progress through the select committee and in other areas.

There is a tendency to think conferences such as we had in Victoria last week are failures because a headline portrays disagreement. The fact is, that was one of the most productive conferences of provincial ministers I have been fortunate enough to attend in the last few years. Most matters brought before the conference saw, if not unanimity, a great deal of unanimity or a great deal of common approach to problems. The major one that saw a deep difference of opinion, that which dealt with equalization, quite properly brought Ontario's response.

It is not ironic but perhaps fitting that this matter should be discussed here in this House on the eve of our 114th birthday in this country. The honourable member need not start looking like that, because I think it is the very kind of underpinning which has kept this country together.

Mr. Smith: I asked a specific question.

Hon. F. S. Miller: The honourable member has just finished giving a great lecture to the Speaker upon ministers' abilities in answering questions. Please let me say something I think is important.

Ms. Copps: Are you for Canada?

Hon. F. S. Miller: Yes, I happen to be. Out west I pointed out that this country flew in the face of many geographic facts when it was created. As a matter of fact, this country survived because certain provinces recognized it was important to share—

Interjections.

Hon. F. S. Miller: I am glad I had the opportunity to be there and not the honourable member. I was trying to deal with the problem, as I saw it, as a Canadian in a Canadian context and in the context of the history of this country. If the honourable member is not willing to look at the problem in that context, then he is not willing to understand the—

Mr. Smith: A point of order, Mr. Speaker.

Hon. F. S. Miller: I have the floor. Please sit down.

Mr. Smith: Mr. Speaker, I honestly do not want to be provocative on this.

Interjections.

Mr. Smith: Come on now, I have respect for the Treasurer and I think you know that, Mr. Speaker. I believe the Treasurer has an important statement to make about his view of the country and about the importance of equalization payments in our history and in the future of this nation. I for one would actually be pleased—and I say this with all sincerity—to hear the views of the Treasurer of Ontario on this matter and I would invite him to make a statement to this House. He should have done so already, having returned from the conference.

In all fairness, however, my question simply asked whether the proposal put by the Treasurer on behalf of Ontario envisaged Ontario receiving payments. That really was the specific question.

Hon. F. S. Miller: I was working up to that. I have often allowed the honourable member to give me a long lecture as a prelude to a question, in which he states a whole series of comments and observations before he gets around to the phrasing of the question.

As a minister of the crown I think I have, as he pointed out, the right to answer questions as I see fit, and I think it happens to be quite important to understand Ontario's historic role

in equalization before one can understand what seems to be our isolationist, individualistic role in this particular issue.

To answer the honourable member's specific question, yes, Ontario is willing to take payments providing no other mechanism is found to redistribute the revenues of the resource-rich provinces. That was stated in papers which we presented to the conference.

The fact remains, there are six recipient provinces. There are four provinces which are well enough off not to receive transfer payments, three of which have received them in the past. Those three are very much afraid some of their new-found, provincially owned wealth may be taken by the federal government to maintain the equalization formulas in this country. They obviously have a vested interest in making sure that does not happen.

The six remaining receiving provinces are very much afraid the federal government will diminish the payments. We endorse their right to receive them and we stated clearly all provinces have the obligation, when they are wealthy enough, to contribute to the wellbeing of the national government and this economy through contributions to an equalization program.

2:40 p.m.

Mr. Smith: Mr. Speaker, in view of the fact that the Treasurer, on behalf of Ontario, is willing under some new formula to be the recipient of funds, will the Treasurer kindly explain why, when he was already eligible under the old formula to receive funds, his government chose to agree with amendments brought in by the federal government to make us ineligible, thus doing away with our possibility of receiving about \$1 billion in equalization money that would have been due to us under the old formula?

Will the Treasurer not admit that the reason he did not want to accept money under the old formula, but is quite prepared to accept funds under some new and improved formula, is because he would have had to admit that Ontario was a have-not province prior to the election, something he is only prepared to do after the election?

Hon. F. S. Miller: Not at all, Mr. Speaker. As a matter of fact, the member can go back into my history as Treasurer as far as the fall of 1978 when Maclean's magazine wrote some articles on this. I was asked whether I would or would not accept the moneys from the federal govern-

ment. I said, "I would accept them so fast it would curl your hair"—I think these were the very words in Maclean's magazine—"provided the principle of equalization payments embodies a redistribution of natural resource revenues." Currently it does not. The principle of equalization is aimed at providing basic governmental services in provinces that do not have the taxing capacity to do so. Any idea that Ontario is a have-not province is foolish.

Mr. Wildman: Supplementary, Mr. Speaker: Will the Treasurer agree that if this province and this government were more willing to commit adequate Ontario dollars to establish programs, such as health care and so on, the government might be in a stronger position then to persuade the federal government to renegotiate more adequate fiscal arrangements with all the provinces, rather than continuing to substitute federal dollars as well as user fees for those programs, such as health care?

Hon. F. S. Miller: Mr. Speaker, I hope my honourable critic understands that he has now changed the topic entirely. We were not talking about established program financing at all. We were talking about equalization payments. The unanimity of that conference was on the very topic he is raising.

Mr. Peterson: Supplementary, Mr. Speaker: It appears that Ontario has been effectively isolated again; no one agrees with the Treasurer's position. It looks, at least to those of us observing from the side, as if he has no other suggestion to put forward to make the system more fair from Ontario's point of view. Why would that now not at least put the government in a position where it should have fought for that \$1.3 billion in equalization we are entitled to?

Hon. F. S. Miller: Mr. Speaker, the formula for equalization is, as you know, a measure of the some 29 revenue-raising variables in each province. It is an empirical formula. It was created at a time in our history when natural resources revenues did not form a major part of any province's revenue. It commits the federal government to pay money. It does not commit anyone to pay the federal government money.

The federal government has had a large increase in its obligations to pay in the last few years. It has had no offsetting source of income. It has, therefore, fallen back on its traditional tax base, 43 per cent of which is in Ontario. Yet only 38 per cent of the gross national product is in Ontario. I point out that as the inconsistency.

Mr. Peterson: We understand all that. It is refreshing that the Treasurer has just come to that conclusion. What is he going to do about it? What is his contingency plan?

Mr. Speaker: Order. Mr. Smith has the floor.

TORONTO EAST GENERAL HOSPITAL

Mr. Smith: I would direct a question to the Minister of Health, Mr. Speaker. The minister will be well aware, from his attendance last night, that many hours of committee hearings have gone on with regard to his bill to amend the Public Hospitals Act. The minister will also be aware that the great preponderance of views expressed last night in committee was very much unfavourable with regard to the act he has proposed.

Why would the minister, therefore, not accept the reasonable proposal that is being put to him by the two opposition parties: namely, to bring in legislation that affects Toronto East General Hospital so he can get on with that matter immediately, but to put to one side, until there have been adequate hearings over a reasonable amount of time, this all-encompassing and extremely important piece of legislation that touches on the entire idea of what constitutes a hospital board, how it is to operate, what authority it is to have and so on?

Why is the minister trying to use the Toronto East General Hospital as a sort of group ticket to get into all the hospitals of Ontario, when all that is required is an individual ticket to deal with the Toronto East General Hospital itself?

Hon. Mr. Timbrell: With respect, the honourable member makes it sound as though in some way—and I know this concern has been expressed in some quarters—we are out to get the whole hospital community. What we are talking about—and we talked about it in second-reading debate last week, we talked about it in the standing committee yesterday and hopefully some time today we are going to talk about it in committee of the whole House—is accountability. What we are talking about is ultimately making the hospital sector as accountable as any other sector of the public service.

I would point out to the Leader of the Opposition, as I did to his colleagues on the committee, that for many years there have stood on the statute books of Ontario similar provisions of ultimate accountability with respect to municipalities and various social service agencies which are also volunteer directed. I am trying very hard to take cognizance of the

apprehensions, and I indicated my intention and distributed copies of amendments I intend to introduce which I think will go even further in ensuring the balance necessary to—

Mr. Roy: Come on. Window dressing. Window dressing. That's right; amendment zero.

Hon. Mr. Timbrell: Excuse me, I am answering the member's leader. Does court not sit today?

Mr. Roy: Don't try to do a snow job in here. That's what it is.

Mr. Speaker: Order. Proceed with the original question.

Hon. Mr. Timbrell: It is no snow job, Mr. Speaker.

Let me go further and say that at no time during the discussions have I heard any suggestion that similar provisions that prevail with respect to municipalities and social service agencies should be repealed. If the member's position is going to be consistent, I submit that should be his ultimate position, to repeal the other statutes that relate to other elements of the public sector.

Last night in the committee there was a variety of views heard. Several of the witnesses said there should be no legislation at all, even for the Toronto East General Hospital. Some said, "All right, legislation." In fact, there was one brief that said, "Build in a cooling-off period." The gentleman was not aware when he wrote the brief that I had already indicated we would do that.

In my view, this is a reasonable bill and one which is well deserving of the support of this House. I do not consider it to be in any way radical; I do not consider public accountability to be radical.

Mr. Smith: Since the bill is viewed in the hospital sector as being somewhat more radical than the minister views it, and since we have a very great tradition in Ontario, a tradition of which I am sure the minister is as proud as I, of an excellent hospital sector with many people and volunteer boards giving a lot of their time to the makeup and conduct of public hospitals, why would the minister feel under some time pressure to try to force through an act that relates to all the hospitals, without giving a reasonable amount of time for sufficient thought and discussion?

Allegedly the only problem the minister has on his plate at the moment is the Toronto East General Hospital. Why would he not simply bring in legislation for the Toronto East Gen-

eral Hospital and then give the province of Ontario some time to have reasoned discussion where the minister can present his view at great length and listen to others on the matter of how to deal with hospitals generally?

Since there already exists an accountability system—a little unwieldy; one has to put a lot of directors on the board and then appoint an inspector—to handle emergencies should they develop, why not simply settle for the Toronto East General Hospital as a piece of legislation now and leave the rest for further discussion until a few months have gone by?

Hon. Mr. Timbrell: Again, we have gone over this countless times—here last week on second reading and in committee.

The Leader of the Opposition refers to some of the other options available to me. After the briefing three or four weeks ago with the chairman of the inspection team that led me to conclude I should recommend legislation to the cabinet, I looked at all the options. I looked at the option of stacking the board, to use the common expression; I looked at the option of the British Columbia law—not only BC, but three or four other provinces have legislation that gives the minister the authority to dissolve the board. I opted instead for what I think is a reasonable middle ground—which follows the pattern already existing in Ontario, where it has existed for many years and under which municipalities have operated for decades—of supervision.

2:50 p.m.

In the last couple of weeks the groups most concerned have put forward reasoned arguments from their point of view. Their arguments are based on fear that the power would be abused. That is exactly what their arguments are based on: an apprehension of bureaucratic administrative excess.

I will repeat a couple of arguments. First, the authority which already exists in the law and several other parts of the public sector has not been abused or used to excess in the past. Second, some have argued, including some of the opposition party members, that the authority which this bill would vest in the Lieutenant Governor in Council after a long process does in fact rest in law now. If members wish, I will expand my answer to remind them of the process. If the authority rests in law now and it has not been abused, then what is the objection?

Ms. Bryden: Supplementary, Mr. Speaker: Since the minister has only one hospital report

on his plate at the moment which indicates the possible need for some rather quick action, would it not make more sense to use that situation as a project to demonstrate the need for any broader and more sweeping legislation, rather than bring in the sweeping legislation?

The Toronto East General Hospital will give him an opportunity to show how the super-administrator works, how it fits in with the boards, and what sort of reforms are needed in the boards. More important, it will show whether the ministry is prepared to take the necessary steps the administrator will need to take if he is going to solve those problems, such as relieving the chronic care surplus in that hospital and getting them out of that hospital, overcoming the nursing shortage, and overcoming the emergency situation.

Without those actions from the ministry, no super-administrator will work and the minister's legislation will then appear to be in shambles.

Hon. Mr. Timbrell: I will remind the honourable member of the part of the report, which I think is on page 57, which sums up the report. The reason for their conclusion that something other than the traditional remedies at present available in law and the regulations under the Public Hospitals Act was needed is found at the bottom of page 57, wherein they stated the hospital has suffered from a complete lack of management for years. They concluded in the report that this had an impact on morale in the hospital, the lack of capital planning and on any number of other things.

The introduction of a supervisor to the hospital to advise and to assist—and only if it is absolutely necessary, to act where the hospital might refuse—is intended, it is hoped, to resolve the management and personnel problems, and so forth, so the hospital itself can get on with planning for these other problems. There is no question that areas such as nursing personnel is a problem across the country right now. We are aware of the problem of chronic care beds and we have acted on it. More will be done in the months to come. Those other things are problems which are not peculiar to the East General. They are ongoing problems of a very large, very dynamic health care system.

Mr. Conway: Supplementary, Mr. Speaker: Can the minister share with this House any legal opinion, I hope written, that he has secured from his own legal branch or the Attorney General's department, outlining specifically how it is that the current Public Hospitals Act is deficient? He told us he feels it is. Has he a

written legal opinion from anyone, in his own department or in the Attorney General's department, to set out precisely how it is that the current act is deficient? Would he table it?

Secondly, since he has stated repeatedly that it is his feeling this kind of situation we have seen at the Toronto East General and the legislation that was offered for its remedy speak to the rare exception and not to the general rule, can he share with us just why this Legislature ought to vote him the general sweeping authority he seeks in Bill 113 and not the specific legislation being spoken of by the opposition, since the vast majority of the people in the affected communities have come forward yesterday and at other times and said, "Mr. Minister, we have not had the same kind of co-operation and consultation on this most important legislation that normally characterizes our relationship, and we think you are very wrong on this particular bill"?

Hon. Mr. Timbrell: Mr. Speaker, I understand that. I heard the member yesterday when he snapped his fingers at his members to leave the room, and that sort of thing. I not only understand that point of view; I respect it. That is why I have tried to accommodate those concerns and apprehensions with the amendments I have circulated.

With respect, Mr. Speaker, I would submit that we are now in debate in committee of the whole; we are not in question period any more. Maybe somebody should move that we move into committee of the whole; I do not know.

It is my view, which I presented to my cabinet colleagues and caucus and which they supported, that with proper balance the minister and the governments must have available to them the necessary remedies for the various types of problems that may arise.

The member will recall that, first of all, the bill as amended provides for an inspector to go in and look at a situation—and that is exactly as it is now. That person will be appointed by the minister. If, in the opinion of the minister, a report of an inspector turned up something that looked very disturbing, then the Lieutenant Governor in Council would have the authority to appoint an investigator. That is the next step, which involves the entire cabinet, who are not about to be railroaded by any one minister. If the member is concerned that the minister or the bureaucrats might be out to get a particular hospital, they have got enough collective political savvy that they are not going to let that stand in their way.

Finally, once the investigator's report is in with the amendments to the amendment, there will be a 30-day period in which all affected parties—the hospital board, the medical staff, the nursing staff, the community, the medical association, the hospital association, whoever—may put forward their views and in that period influence the government's thinking as to whether a supervisor is the appropriate remedy or whether one of the other remedies that exist in the law and the statutes is appropriate.

Mr. Martel: Mr. Speaker, I have a new question for the Minister of Health, but regarding the previous one, he might try, if he wants accountability, some elected boards.

ASSISTANCE FOR HOME CARE

Mr. Martel: I have a question regarding Mr. Benedetti again. The minister will recall that Mr. Benedetti received a bill for home care for \$6,490. Can the minister indicate to me why the assets from the sale of a home are being used to determine his eligibility for assistance when those assets in fact are directed towards providing a new home? Is it not improper for the Minister of Community and Social Services (Mr. Drea) to consider those as assets in determining eligibility?

Hon. Mr. Timbrell: I do not profess, Mr. Speaker, to be an expert on the formulas that are used by the Ministry of Community and Social Services to determine eligibility for benefits.

In the letter I sent to the honourable member, which I think I told him I sent back a couple of times to be sure we got all of the information in to assist him, I told him we rely on them and the formulae they use to determine those individuals who would be eligible for assistance with the per diem rate.

In his particular case, at the time of the assessment, and because he apparently showed a bank balance of whatever amount—and I do not recall the figures—using their formulae they said that this man is not in need of assistance, that he has the ability to pay for his wife.

I want to remind the member that the total bill, of course, came to as much as it did because a variety of things had to be done for the lady that the family was asked to do and did not do—providing clothing and a few other things. But I think I concluded the letter by suggesting that if the circumstances have changed he should go back to the family benefits workers, who would do a reassessment of his means.

3 p.m.

Mr. Martel: Is the minister aware that using the calculations of the Family Benefits Act, with the man having a wife who is disabled and a child, they would base his income on \$606 a month or \$7,200 a year? Is the minister aware Mr. Benedetti's gross earnings last year were \$19,000, of which over \$3,000 was from overtime he worked? Does the minister realize that if we exclude \$1,100 for the item he just mentioned, Mr. Benedetti is paying well over one third of his income annually for the maintenance of his wife? How can we expect someone to go on paying over one third of his income for maintenance of a wife in a home for special care?

The minister might be able to get away with it on his salary, or someone else might at \$45,000. At \$45,000, after one third is gone, one still has \$30,000 left, but this man will be down to less than \$10,000 a year to live on. Is there not something wrong, or does it not mean we have to revise what is going on over there to make sure this man has something to live on with dignity, so he can raise his family and live with some degree of dignity? It is not only him; others are in the same boat.

Hon. Mr. Timbrell: The Minister of Community and Social Services is not here today so I cannot refer you to him for some discussion of the formulas. I am not familiar with the formulas they use. If the gentleman wants to have his situation reassessed, there is a way to have that done. I will be glad to make sure it is done.

Mr. Martel: I am concerned about the overall problem. What bothers me is he might become eligible somewhere for a few dollars, but how can we expect someone on that type of income to contribute \$5,000 to \$6,500 a year for the maintenance of someone in care, so that person can live with dignity? That is what is wrong. This is just an individual case. Surely the minister has to review what is going on in order to assist people in this category.

Hon. Mr. Timbrell: There are various forms of assistance, as the honourable member knows. By the way, for the information of the House, the individual is no longer on the program. This is my understanding. Depending on whether the person is fully discharged, that is a significant question.

In some cases in some municipalities, the domiciliary hospital program is used, which is financed jointly by the province and the municipality under the General Welfare Assistance

Act. I will be glad to take a look at the rates again, but as far as the individual case is concerned, in the immediate term my suggestion would be, as in my letter to him last week, that he go and see the FBA people immediately for a review.

COVERAGE FOR PROSTHETICS

Mr. Martel: Mr. Speaker, I have another question for the Minister of Health. Can the minister continue to deny payment for prosthetics under the Ontario health insurance plan, given that for an artificial leg above the knee it now costs a family \$2,000, an artificial leg below the knee is \$1,200, and an artificial arm and hand is somewhere between \$1,500 and \$1,700? Can he continue to deny that as a benefit under OHIP?

Hon. Mr. Timbrell: Mr. Speaker, this is a matter we have had under review for some time with a view to trying to come up with a policy which would be both reasonable in terms of any additional benefits that might be considered for the health plan, and within our financial means. I would point out to the honourable member that at this time I believe there are only three or four provinces that cover orthotics and prosthetics of any kind. We are in the process of coming up with a policy on that subject.

Mr. Martel: Is the minister aware there are more than 850 young people requiring artificial limbs at the present time, and that from the time they are young people until they reach maturity, those limbs will have to be replaced eight times possibly, therefore creating a debt for families of between \$15,000 to \$20,000 per child. Surely we have to come up with some policy that rids families who have these unfortunate youngsters from this terribly costly expenditure which is so vital for them to live normally?

Hon. Mr. Timbrell: Mr. Speaker, I am aware some cases can involve as many prostheses as that. That is very much on my mind and the minds of my colleagues as we attempt to come up with a policy in this area. It has taken a long time, admittedly, because it is not a simple area. As an example, the catalogue they have for the plan in Alberta is literally about an inch and a half to two inches thick. There are thousands and thousands of permutations and combinations for orthotics/prosthetics. We are trying to come up with a policy that will be realistic in what we are able to afford and will be as fair as possible.

I would be remiss if I did not emphasize what I

am sure the member already knows, that in this area there are a great many voluntary agencies—the Easter Seal Society in particular with respect to children; the Canadian Cancer Society; the paraplegic association and a number of others; I will not try to enumerate them all—which are very active in assisting individuals in the acquisition of necessary orthotics/prosthetics at this time.

Mr. T. P. Reid: Supplementary, Mr. Speaker: Where are this government's priorities when it can give hundreds of millions to pulp and paper companies and can build a road to Minaki for \$14 million? When is the government going to come to a decision? Last year I raised the point a half dozen times that these people, through no fault of their own, cannot get this kind of assistance. If the minister had to go through all these voluntary agencies to get this assistance he would probably go without the artificial limb.

As I pointed out to him before, Quebec has a similar program. The minister has said that report was in the works for seven or eight years now. When is it going to be made available? When is he going to do something for these people?

Hon. Mr. Timbrell: Mr. Speaker, this government's priorities are very much in the health care field. I would point out that close to 32 or 33 per cent of the budget is spent on health care. This includes all the health care programs of this government, not just mine but those that are in other ministries that used to be part of mine. Let there be no doubt the single most important priority of this government is health care.

There are at any point in time a number of proposals before us for additional benefits and programs, facilities, machinery, whatever, to spend on the health care system. All of them have good compelling arguments about them. This is one which is very much to the fore in our thinking right now. We have been discussing it, admittedly, for some time and I do not apologize for that because I think the end result will be one that is a good program.

I would point out that the Quebec plan to which the member refers is very limited.

Mr. T. P. Reid: It is a start.

Hon. Mr. Timbrell: It is a start. However, it may not be necessarily the answer for this province, in our view.

Mr. Philip: Supplementary, Mr. Speaker: Does the minister recall a letter to him by Lynne Gordon, chairperson of the Ontario Status of Women Council, in which she pointed out that

no less a person than the Honourable Darcy McKeough, when he was Treasurer, said he thought the provision of prostheses makes sense? If that Treasurer could promise it way back then, how long does it take this government to keep the promise?

Hon. Mr. Timbrell: Mr. Speaker, I recall the letter very well, but I would point out to the member that this Treasurer (Mr. F. S. Miller) this year has approved increases in spending for the hospital sector in excess of \$400 million. There is no question that health care is very much the foremost priority of this government.

I would like, as Minister of Health, always to be able to say yes to those who come forward with proposals for additional benefits or whatever. Sometimes we have to say not now. Sometimes we have to say, as we are saying here, we are trying to come up with a program that will be a reasonable response.

FORMER PSYCHIATRIC PATIENTS

Mr. Ruprecht: Mr. Speaker, a question of the Minister of Health: Is the minister aware that at this very minute there is a demonstration taking place just outside this building that concerns him? It is very clear that these people are demonstrating against the policy of deinstitutionalization by the minister.

3:10 p.m.

I would like to ask this minister what he will do to alleviate the housing crisis for people leaving psychiatric institutions, being aware that what this deinstitutionalization policy does is very clear. It throws out people from institutions who have no one to fend for them. That is why they are out there. They want to know from the minister what he is doing to help to find housing for people coming out of our psychiatric institutions.

Hon. Mr. Timbrell: Mr. Speaker, with respect, it is not my impression or understanding that they are protesting against the deinstitutionalization. I think most reasonable people—

Mr. Smith: They want housing.

Hon. Mr. Timbrell: —perhaps even the Leader of the Opposition—support deinstitutionalization on the basis that people who do not need to be in a psychiatric facility should not be there.

Mr. Smith: They want housing.

Hon. Mr. Timbrell: Does the member not support that?

Mr. Smith: It is better than being in a dingy basement somewhere.

Hon. Mr. Timbrell: Hold on, does the member not support that? Perhaps he does not, I do not know.

Mr. Speaker, as we discussed in the House last week or the week before—I forget which week it was—we recognize Metro and the city of Toronto are facing a housing problem with respect to certain disadvantaged groups. This is unique as far as our overall psychiatric hospital system is concerned. In the communities in which our other nine hospitals are located, we are not experiencing the kinds of problems we are having in Toronto right now.

The honourable member will know I have had several discussions in recent months with representatives of the city and of Metropolitan Toronto, including the chairman of Metropolitan Toronto, Mr. Godfrey. At the most recent meeting it was suggested their view was that the answer to the crisis was to somehow tap into some of the housing programs financed through the Canadian Mortgage and Housing Corporation. That may very well be. We have, in fact, followed up that suggestion with the Ministry of Housing staff and there may very well be, in the future, some prospect of tying into that program, which presently is used to provide housing or make housing available for the physically handicapped, for the developmentally handicapped and for others.

In the immediate term, though, it is my view—and we have reviewed this with our colleagues in several other ministries, such as the Ministry of Community and Social Services and the Ministry of Housing—that, as in all other parts of the province, there should be made use of in Metropolitan Toronto the domiciliary hostel program. This is a program financed 80 per cent by the province and 20 per cent by the local municipality to provide long-term housing for the disadvantaged.

As I said, it is in use now, to the best of my knowledge, in virtually every other centre in the province where we have a psychiatric facility and where there is a need of some of the discharged patients for housing, because they do not have homes to go to or for a variety of reasons with which I am sure the member is familiar. I will be pursuing that with the Metro chairman.

Last year, I am told, we spent something in the order of \$13 million through the Ministry of Community and Social Services for the program in support of those facilities, which are basically private facilities for which contracts are made with the municipalities. We will be pursuing that with Metropolitan Toronto.

Mr. Ruprecht: The minister now has in his possession a petition signed by some of the people out there who are demonstrating. Will the minister be sensitive enough to go out there and speak to them? If he cannot speak to them to explain his policies, at least will he be sensitive enough to listen to what they have to say? Will he undertake to do that?

Hon. Mr. Timbrell: I am meeting, I believe, with a group some time later this afternoon, just as I have met on many occasions with groups respecting various points of view on the psychiatric issue. I think it is a little ironic that the member for Parkdale, of all people, would get up to talk about this issue when he campaigned on getting discharged psychiatric people out of his riding within two years.

Mr. Ruprecht: On a point of privilege, Mr. Speaker: I think my privilege has been abused. The minister has indicated I have campaigned on this issue. The truth is that what we in Parkdale have been saying is, let the minister know his ministry, let him know what is going on in the Parkdale area and let him produce some housing for people and some aftercare programs.

Hon. Mr. Timbrell: You are on the record too often.

Mr. Speaker: Order. Supplementary, Mr. Martel?

Hon. Mr. Timbrell: You are on the record too often.

Mr. Martel: Supplementary to the Minister of Health if we can get his attention, Mr. Speaker.

Hon. Mr. Timbrell: You and Attila the Hun.

Mr. Speaker: Order.

Mr. Martel: Give him a kick.

Is the minister prepared to guarantee funding for the 300 spaces that I understand will be required in Metropolitan Toronto by October 31 of this year, or is he prepared just to let them eat cake?

Hon. Mr. Timbrell: With respect, Mr. Speaker, the honourable member is not usually a cheap shot artist so I can only assume he did not hear my earlier answer. My answer was that, as in other parts of the province, my understanding is we can make available to Metropolitan Toronto through the domiciliary hostel program the funds to pay 80 per cent of the cost of facilities to house discharged patients. My understanding from the discussions which have been held between my staff and those of the

Minister of Community and Social Services is that the funds will be available to satisfy the needs to the extent that they exist.

TREATY 3 AGREEMENT

Mr. Laughren: Mr. Speaker, I have a question for the Provincial Secretary for Resources Development. May I assume that by now the provincial secretary has made himself aware of the string of broken promises that has stretched over two years, which borders on deceit, dealing with the Treaty 3 Indians of northwestern Ontario? First of all, may I make that assumption?

Secondly, since within the last week the Minister of Natural Resources (Mr. Pope) has written to the Treaty 3 people indicating he is refusing to negotiate the water boundaries of some 66 reserves which fall under Treaty 3 in northwestern Ontario, despite an agreement that goes back to, I believe, 1894, will the provincial secretary promise us he will make available to us the legal opinions and justification for that decision?

Hon. Mr. Ramsay: Mr. Speaker, I believe the member for Nickel Belt is referring to a letter sent by the Minister of Natural Resources, who is not in the House this afternoon. I expect he will be here on Thursday, so I will take the question under advisement and have him respond to it at that time.

Mr. Laughren: With due respect, that answer is totally inadequate. The minister's predecessor was one of the two people who was party to all those broken promises, which have been very clearly and articulately enunciated by Treaty 3 for over two years. The minister's predecessor, the previous provincial secretary, Mr. Brunelle, was part of those broken promises and I assume the present provincial secretary would be aware of it.

In view of the actions that have been taken by the Quebec government in dealing with the Micmac people of the Restigouche reserve area, is the Ontario government prepared now to state unequivocally that they are going to recognize that Indian people of this province do indeed have special rights and that their hunting and fishing rights must be protected?

Is the minister really aware and does he really understand that the issue here is access to those waters for the purpose of hunting ducks and fishing and harvesting of wild rice? Will the minister make that assurance that he does indeed understand that our native people have special rights in Ontario?

Hon. Mr. Ramsay: Mr. Speaker, I would advise that a meeting has been scheduled for Monday, July 13, with the various native groups, at which time we hope to discuss many of those issues and hopefully to resolve many of them.

I would also like to advise at this time that the Minister of Natural Resources has already had some meetings in respect to those problems of hunting and fishing rights in preparation for our meeting on July 13, and that I would have to be encouraged by the results of those preliminary meetings.

3:20 p.m.

Mr. Wildman: Supplementary, Mr. Speaker.

Mr. Speaker: No. There was one supplementary and one main question. The official opposition did not have a supplementary. I will recognize Ms. Copps.

LANDLORD AND TENANT DISPUTES

Ms. Copps: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Is the minister aware that his counterpart within the Ministry of the Attorney General actively and aggressively pursued costs in an action brought about by the Hamilton Tenants' Association to clarify the legal definition of section 84 of the Residential Tenancies Act? Is the minister aware of the intervention by the Ministry of the Attorney General's office? If he is aware, was he in agreement with that intervention?

Hon. Mr. Walker: Mr. Speaker, I am not aware of the specific intervention to which the member has made reference. I am aware the tenant group lost the appeal taken some time ago. There was a story in the newspapers on May 21. I believe the member is referring to the same matter.

There was a decision by county court Judge C. S. Lazier dismissing a motion of the Hamilton Tenants' Association challenging the right of the Residential Tenancy Commission of Hamilton-Wentworth to grant rent increases to landlords. If that is what the member is making reference to, I am aware of that decision. If she is asking now about an intervention being taken by the Attorney General, I am not aware of that specific one. The Landlord and Tenant Act falls directly under his responsibility.

Ms. Copps: Was the minister aware with respect to this definition of section 84 that a member of the Attorney General's staff contacted the lawyer for the Hamilton Tenants' Association prior to a decision being rendered

and advised that if the solicitor for the tenants pursued the matter the Attorney General's department would be seeking costs?

Does the minister feel this was a move to deter due democratic process in an action brought about by the tenants' association with respect to the Residential Tenancies Act? If the minister is aware of that intervention, will he please seek to clarify it and to table in this House who made the intervention, at what period in the court proceedings it was made and whether the minister feels it is in keeping with the allowance of due process for tenants and landlords alike?

Hon. Mr. Walker: No, I am not prepared to get involved in that. I think that is more properly a question for the Attorney General. He was here earlier and I believe he may still be—

Mr. Bradley: He has not been here during question period.

Hon. Mr. Walker: Am I wrong? I thought he had been here. I have the answer to a further question raised by the member for Hamilton Centre if that is feasible at this point, Mr. Speaker.

Ms. Copps: Am I to take that as a redirection of the question and will I then receive an answer from the Attorney General? Is that a redirected question, or is the minister answering it by not answering it?

Hon. Mr. Walker: I am simply saying—

Mr. Speaker: Order. I am sure the Attorney General will read Hansard and take notice of the question.

ACCESSIBILITY FOR DISABLED PERSONS

Mr. Philip: Mr. Speaker, I have a question for the Minister of Government Services. Now that the government has reconsidered the position given to me by the minister in the House several weeks ago concerning the need to build a ramp so that physically disabled persons can have access through the front door of this building on July 1, can the minister confirm or deny the rumour I have heard that this ramp will be dismantled or destroyed after the July 1 festivities?

Hon. Mr. Wiseman: Mr. Speaker, we have tried to design a ramp that will allow handicapped people entry into this building by the front door. We have had some problems in that we have an eight-foot rise at the front. To meet the standards, for every foot of rise we have to

have a one in 12 gradual slope. We will see how this works for the July 1 holiday. I have asked that two of the attendants be there to help the handicapped if needed.

On one of the rainy days last week a handicapped person was wheeled or wheeled herself from the front door around to the back entrance, so I have had the attendants instructed to tell people that there are four parking spaces in the parking lot which are to be kept for handicapped people. We are going to put signs up as well to let them know these are available to them. There is a cover there, and that lady that day, instead of getting soaking wet, would have been able to get into this building under that cover and have access to wherever she wanted to go.

The ramp will be ready for July 1. The workmen have worked all weekend, and I hope we can come up with a shade that will blend in with the stone work in this building.

Mr. Philip: Is the minister saying that with all the expertise and all the engineering staff available to this ministry he still does not know whether somebody can enter up that ramp, which is in the process of being built, without assistance? Can the minister give us some assurance that some ramp will be developed so that disabled persons in wheelchairs can enter by the front door? Surely that is not an engineering impossibility.

Hon. Mr. Wiseman: I am saying that we followed the regulations for a one-in-12 rise. Not all buildings have the problem that we have with the front of our building, which rises eight feet to the first floor. Having walked it—and we have railings and everything—I am wondering if that one in 12 is going to be enough for them to be able to pull themselves up and control a wheelchair on the downward run without some accident. We will have to see how that works. But it is built in accordance with the regulations, and I think if the member goes out and has a look he will see that the workmanship has been really good.

Ms. Copps: Supplementary, Mr. Speaker: Can the minister tell us—and I am taking his words from Hansard—which he feels is more important: the aesthetics of the stone work on the front entrance or accessibility for the handicapped?

Hon. Mr. Wiseman: Mr. Speaker, I do not think I have said anything about that. I think if the honourable member reads Hansard she will find that out. We are concerned about the

handicapped even in following regulations, if the member was listening, that the one in 12 may still be too much—

Ms. Copps: The minister commented on the aesthetics of the stone work. Those were his words—the aesthetics of the stone work.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Wiseman: Walk it and see.

Mr. Speaker: Mr. Walker has the answer to a previously asked question.

Hon. Mr. Walker: Mr. Speaker, on June 18 the member for Hamilton Centre (Ms. Copps) raised a question concerning the Ontario Building Code and apparently a letter to the editor in the Ontario March of Dimes, which was presumably a letter I sent to the editor of the Advocate of the Ontario March of Dimes. She complained that my comments there were inaccurate.

I do not know what was reported in the Advocate in the sense of how they interpreted my letter, but I do know that the letter I sent to Mrs. Gillian Kearney, editor of the Advocate, Ontario March of Dimes, dated May 12, 1981, is accurate as far as I am concerned. It said:

“The original code provisions for physically handicapped persons required access be provided for the physically disabled to every suite of all newly constructed apartment buildings in Ontario exceeding 6,000 square feet in building area or three stories in height that were equipped with elevators. By also requiring access to all newly constructed office buildings of the same size, access was required to potential housing units as well as places of employment.

“The recent amendments to the building code expand on the types of new buildings to which access must be provided, require washroom facilities on each floor of office buildings and thus extend potential work place opportunities for the physically disabled. Requirement for wider bathroom doors in apartment suites recognizes the needs of the handicapped who use wheelchairs.”

In making that response I had in front of me part five of the building requirements for handicapped persons and in addition to that the regulation to amend Ontario regulation 925/75, made under the Building Code Act of 1974, regulation 230/81. The words were lifted from the document.

As I say, I cannot be responsible for what the person might have written. I do not have the benefit of that article. All I know is that the

letter I sent contained those words. If the member feels they are inaccurate I would be interested in knowing what they are, given that I have lifted directly from the act.

3:30 p.m.

Ms. Copps: Supplementary, Mr. Speaker: Two of the inaccuracies I pointed out in my question—this is in Hansard, if you will take the time to take a look at that—are: one, there is no requirement in office buildings for accessible washrooms on each floor. As a matter of fact, the requirement calls for revision of existing washrooms so that if there happens to be a washroom on the main floor it will be made accessible. There is nothing in the new act requiring an accessible washroom on each floor.

Two, with respect to office buildings, the entrance requirement is for the lobby area specifically. There is no provision to allow disabled people access into specific office cubicles. Those are two inaccuracies that the minister has alluded to specifically in his letter, and those were the inaccuracies I was addressing in my question.

Hon. Mr. Walker: Not so.

TILBURY FARMERS' CO-OPERATIVE

Mr. McGuigan: Mr. Speaker, I have a question for the Minister of Agriculture and Food. What is he doing to prevent a recurrence of events at the Tilbury Farmers' Co-operative where the income of approximately 100 farmers is in jeopardy? Why is he spending thousands of dollars licensing and inspecting under the Grain Elevator Storage Act when such inspections failed to turn up the happenings at Tilbury? As he knows, under the act, grain that is accepted for storage should not be sold and this happened. How many other farmers beside those in Tilbury may have their incomes in jeopardy because his administration of the act does not fulfil its intent?

Hon. Mr. Henderson: Mr. Speaker, the honourable member is bringing up a point I was not aware of. Is he telling me that the grain that was stored there is not there? Is that his statement? Before I answer, I would like to know that. It was my understanding that the storage sheets were all there, and the grain was there. Is that not the case? I will then answer the rest.

Mr. McGuigan: I am not sure whether that has been determined. They are still emptying the elevators to determine that fact, but it should have been known from the audit. What I

am pointing out is that the audit is really not carrying out the intent. I am told there is a not uncommon feeling among elevator operators that they can sell the stored grain under a deferred contract and feel they have not made a sale, but in actual fact when they make that deferred contract they have made a sale and this does not show in the audits that are performed. Whether there is enough grain there has not been determined yet.

Hon. Mr. Henderson: With all due respect, it is my understanding, and I have no other information at this moment, that there is sufficient grain there. That was the word I had. Let us get the whole truth out. I visited this co-operative back in March. I met with the board of directors and they pointed out to me that they were in financial difficulty. They told me they owed \$1.2 million. They said their manager had not done any default in the grain slips or anything illegal at all. The grain slips were all there. Everything in that line was in perfect order.

But they pointed out to me that their manager had done some buying and selling on the Chicago market that cost them \$500,000. They were aware of that. That was done with the authorization of the board and they had removed that manager once they got into that financial difficulty. Then they decided they would broaden out their area and they bought two other small mills in the area. It was at this time that they found the \$1.2 million was too big a debt for them to manage the interest on.

At the time they approached me and asked me to meet with them, they pointed out they had met with the federal Minister of Agriculture and put a proposal before him that they put before me. That proposal was an interest-free loan for five years: \$300,000 from the federal government and \$300,000 from the province of Ontario. The United Co-ops of Ontario had agreed to lend them \$300,000 on a first mortgage. They pointed out they had collected \$250,000 last year from their shareholders within the co-op and were holding that in a separate account.

I do not have the date, but I did send them a letter about mid-April. I said our position was that, unless the government of Canada extended help, there was no help available through Ontario.

The next word I had, some three weeks ago, was that there was no help from the government of Canada, and they were going into receivership. But I re-emphasize it is my understanding

to date that for those people who are holding slips for storage grain that the grain is there. I know nothing different from that at this moment.

ASTRA/RE-MOR; CO-OPERATIVE HEALTH SERVICES

Hon. Mr. Walker: Mr. Speaker, I am aware a point of privilege was raised by the Leader of the Opposition at the beginning of the question period today that would leave the impression I had not answered certain questions he raised on April 30, May 11 and May 19 involving the Astra/Re-Mor matter. I have reviewed the Hansard for those dates which I think is a sufficiently official record on the matter.

On the April 30 date I find absolutely no commitment made to any question raised. On the May 11 date, I indicated in reply to the matter involving these Bimonthly Reports that the Ontario Securities Commission was sorting through many of the questions that had been posed and in due course would have a response for the honourable members. I said I would be glad to provide that response once the moment arrived.

I further indicated, at page 543 of Hansard in reply to the Leader of the Opposition, that I anticipated that before long we should have some response from the commission.

On May 19, to a question raised in respect of the Bimonthly Reports, I said, as reported at page 766 of Hansard: "I know there is some concern on the part of the Ontario Securities Commission that if it does respond directly to some of the allegations posed, it prejudices some of the matters that are before the criminal courts and it is certainly very loath to do that. I expect it will probably be responding before long in respect to the matters the member raised."

Those are the only matters I find in Hansard in respect of those questions that are outstanding in terms of something left to respond to. There was the one of May 11 that when I received a copy of the response from the Ontario Securities Commission I would see to it that the honourable members received that.

When I got back to my office yesterday, I received a memorandum from Mr. Henry Knowles, the chairman of the Ontario Securities Commission, which did provide the response. It says, "Statement of the Ontario Securities Commission, dated June 26, 1981, re Astra Trust Company, Astra Trust Agency Fund, C and M Financial Consultants Limited, Re-Mor Investment Management Corporation, et al.

This constitutes the report in respect of the Bimonthly Reports." I will be pleased to read this into the record. It is relatively short.

"In light of the recent public discussions in the Legislature and elsewhere relating to the above subject, the commission has again considered whether it could usefully assist in this discussion by making a formal statement pertaining to its roles in the matter.

"After a review of its files and further interviews with some members of the staff and the commission involved in the earlier proceedings, the commission met on June 25, 1981, together with a senior official of the crown law office of the Ministry of the Attorney General and members of its staff.

3:40 p.m.

"As a result of this meeting, the commission concluded that it would be inappropriate for it, as a government agency involved in the outstanding proceedings, to make any substantive statement at the present time, although such a statement might assist the public in its understanding of the issues, particularly as to the role of the commission and its staff.

"The commission was informed that a release of the statement might well have an adverse affect on the conduct of both the criminal and civil proceedings now outstanding. The facts relevant to such proceedings will be developed in accordance with the settled judicial practices. When this established judicial process has been utilized, the commission will be prepared under proper circumstances to make such a statement. Until that time, the commission proposes making no further comment except when lawfully required to do so."

I therefore feel that statement answers the comments raised by the Leader of the Opposition in respect of questions left outstanding. In fact, I made no statements that I would respond in the Legislature. I simply said I would supply a copy of it the moment I got it. The moment has now arrived. I did get it yesterday. I am prepared to supply a copy to the member, which fulfils my obligation as it relates to the four dates he mentioned as outstanding points.

Those are the only ones extant. There was one matter further raised in respect of Co-operative Health Services of Ontario. The member is correct; I have left an unanswered question on the Order Paper. I will merely indicate that, with respect to the audits, the Leader of the Opposition had asked why our policy, especially for this company, was to

demand monthly reports about the state of the company but we did not bother to demand that these monthly reports be audited.

I may say that the year-end of this particular company was June 30. It was traditional that we would receive an audit in our ministry. The company had been operating for 10 years. During each of those 10 years and right up until then, there was every reason to believe that the float—if it were an ordinary company, we would call it the capital and in this case, because it was a co-op, the surplus—was maintained at about \$1.3 million all the way along.

On April 9, however, we demanded monthly computer-produced statements that they used for their own purposes. If we had required an audit every single month, it would have taken at least two months and probably three months to produce an audit for every single month that was required. Not only would that have become a costly item but also it would have ground the company entirely to a standstill, and we had no reason at that point in time to believe that was the case.

During the months of July and August, when we would normally have expected to have received the computer statements that would have revealed the depletion of the \$1.3 million surplus—and, incidentally, that depletion took less than five weeks to occur—we did not receive the computerized statements. The answer given to us was that "we cannot provide both."

During that period of time we were told that the computerized statement could not be provided. It was considered to be a legitimate answer because of the fact that the audit was taking place. We did receive the audit on October 1, and on October 1 we discovered the depletion in the surplus. On October 3, we moved in a team of financial institutions people to take the place apart. That is the history of it, and I offer that as the answer that was outstanding.

Mr. Smith: Mr. Speaker, I am pleased to have some response from the minister on these two very vital matters as we come a little closer to the end of this session.

On the matter of the Ontario Securities Commission, this is not the place for us to debate the matter, I realize that. Therefore, I must restrict myself simply to saying that the notion that the Ontario Securities Commission need not answer to these very serious allegations concerning its behaviour, on the basis that the matter is sub judice, is one that we have debated at great length here in the House.

The Speaker's predecessor issued warrants, as you know. We had discussions in the standing committee on administration of justice. It is sheer nonsense, it is an affront to the Legislature that the Ontario Securities Commission considers itself above examination and above the need to answer to the elected members in the House or in committee. I am frankly affronted.

I ask you, Mr. Speaker, to consider what the relationship is to be between the Legislature and certain appointed officials of the government, such as the Ontario Securities Commission. I ask you specifically to look at the matter of sub judice, because there is nothing in what was alleged with regard to the behaviour of the Ontario Securities Commission that could be remotely considered to be impinging in any serious way upon the criminal proceedings going on at present.

The only reputation that would be protected by the Ontario Securities Commission not giving answers is the reputation of the Ontario Securities Commission. It is not its job to deprive the public of information to protect its own reputation. The minister may be willing to wait two months to get an answer from that commission, and he may feel it is sufficient to say it is sub judice, but I believe that is an affront to this House.

On the matter of Co-operative Health Services of Ontario, the minister has stood in this House and said essentially that they could not possibly ask for an audited report every month; it would have brought everything to a standstill. He said he was briefed by his officials on the matter but did not know why they had not had an audited report. As my colleague the member for Kitchener (Mr. Breithaupt) said, "It is like being told the story of Little Red Riding Hood but not mentioning the wolf." That, of course, was the essence of the matter.

They obviously believed there was something wrong in Co-op or they would not have asked for monthly reports. They never ask for monthly reports from anybody else. What is the use of having a special monitoring provision if there is a loophole in it as big as is required to drive three tanks through? If the minister wanted monthly reports, surely they had to be audited monthly reports.

We in the opposition are simply frustrated and are finding it a futile exercise to try to understand how we are to represent the public interest and determine the way in which that ministry and its commission have or have not protected the public in this regard if we are not

to have a royal commission, if we are not to have answers in this House that are responsive to the questions and if we are not to have the matter before the standing committee on administration of justice. We believe a serious impasse has been reached in the conduct of parliamentary democracy in Ontario.

REPORT

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development presented the following report and moved its adoption:

Your committee begs to report the following bill without amendment:

Bill 113, An Act to amend the Public Hospitals Act.

Your committee recommends the bill be referred for clause-by-clause discussion to the committee of the whole House.

Mr. Conway: On a point of order, Mr. Speaker: Speaking to the report, I had the pleasure of attending the hearing last night of the standing committee on social development, as did other honourable members present. I rise on a point of order because there is an issue here that concerns me a great deal. The report that has just been made turns on a motion put by the member for Mississauga North (Mr. Jones) at or around 10:40 p.m. last evening in that committee.

The committee sat beyond 10:30 p.m. without any agreement. The objection of our voting members on that committee was registered loud and clear. In fact, I went to Hansard this morning to listen to the tape, and that was clear to anyone who was listening.

What I really ask you, Mr. Speaker, and where I think my point of order comes to rest is: What is the status of a report made by a committee, a report that turns on a motion put at 10:40 p.m., fully 10 minutes after the normal adjournment time and without the agreement of the committee to sit beyond 10:30 p.m.?

I know the rules are silent on the issue. It states on page one of the standing orders, under standing order 3(b): "The House may sit beyond 10:30 p.m. on the passage of a government motion for that purpose but such government motion shall not pass if 20 members stand in their places."

Standing order 3(b) speaks only of the House and not of committees. As far as I can tell, our standing orders are silent on that. From my

experience, it has been the case in the past on many occasions that, with unanimous agreement, committees of this House have often sat well past the normal adjournment hour of 10:30 p.m. But in this case it is of real concern to me, since the bill involved is a matter of urgent and pressing necessity. The government is proposing a very major change in policy.

3:50 p.m.

The voting members on our committee—my distinguished colleague the member for London North (Mr. Van Horne), for our party—registered that there was not agreement from this caucus to sit beyond 10:30 p.m. Regrettably, there were no members present from the New Democratic Party; so there was clearly no consent to sit beyond 10:30 p.m.

As I said earlier, at or around 10:40 p.m., the committee voted on the motion from the member for Mississauga North (Mr. Jones). Only the government members registered a vote. Others registered a strong complaint that we had no authorization to sit beyond 10:30 p.m.

Mr. Speaker, I ask for your direction and your judgement on the propriety of the report just entered into the record by the member for High Park-Swansea (Mr. Shymko).

Mr. Gillies: Mr. Speaker, at 10:30 last night in the standing committee on social development, I was in the midst of questioning a couple of witnesses before the committee. I paused in that questioning to ask the indulgence of the committee to continue the work at that period. There was no objection from any member of the committee. In fact, members of the Liberal Party told me to go ahead, which I did.

Mr. Speaker, their opposition to continuing beyond 10:30 p.m. only manifested itself at about 10:40 p.m., when a motion came forward that they did not agree with. We legitimately, I suggest, had to dismiss that opposition at that time as a little bit of political grandstanding.

Mr. Speaker: This is developing into a debate. Will you be brief?

Mr. Roy: On a point of order, if I may, Mr. Speaker: I was present in the committee last night, and I suggest to you this report is clearly out of order in the sense that the House or the committee cannot continue unless a motion of some sort is acquiesced to, either by the members of the committee or by the House.

I direct your attention to standing orders 3(a) and 3(b), Mr. Speaker, which clearly state that the committee or the House adjourns automati-

cally at 10:30 p.m. unless a motion is acquiesced to. Standing order 3(b) says, "The House may sit beyond 10:30 p.m. on the passage of a government motion for the purpose but such government motion shall not pass if 20 members stand in their places."

I would think it would require a motion from the House or at least a motion that is accepted by the government members. I say to the member for Brantford (Mr. Gillies) that what we on the committee attempted to do was to show some graciousness in allowing him to complete his questions. At no time was there acquiescence to sit past 10:30 p.m.

The motion on the report here today is clearly an attempt on the part of the government to try, with its majority, to ride roughshod over the committee members. I say to the government House leader, if he is going to start using his majority in committee—it is shades of Eric Winkler again—to ride roughshod over the parliamentary standing orders and rules, we in the opposition and you, I trust, Mr. Speaker, will not accept that type of conduct on the part of the government.

Interjection.

Mr. Speaker: No, I think there has been sufficient discussion.

Mr. T. P. Reid: The report is clearly out of order.

Mr. Speaker: Order. First of all, I want to thank Mr. Conway for raising that question, and he quite clearly put his finger on the problem. As he suggested, it is clear from the wording of standing orders 3(a) and 3(b) that the 10:30 p.m. automatic adjournment indeed applies only to the House. All committees rise on motion. Even the committees of the whole House rise only on motion that the committee rise and report; so there is nothing out of order.

Interjections.

Mr. Speaker: Order. My opinion is that nothing is out of order. The standing orders do not cover such a situation. All committees rise on motion. That is the key.

Mr. Martel: Mr. Speaker—

Mr. Speaker: Order. It is not debatable.

Mr. Martel: What do you mean, "it is not debatable"?

Mr. Speaker: Just what I said.

Mr. Martel: A point of order is debatable.

Mr. Speaker: Mr. Shymko, do you move the adoption of the report?

Mr. Shymko: Yes.

Mr. Speaker: Shall the report be received and adopted?

Some hon. members: No.

Mr. T. P. Reid: No. It is out of order.

Mr. Speaker: No, it is not.

Mr. T. P. Reid: We have to challenge your ruling.

Interjections.

Mr. T. P. Reid: We are going to challenge the ruling on it.

Mr. Roy: We are going to challenge the ruling of the Speaker. We cannot accept that ruling.

Mr. Speaker: That is kind of a delayed reaction.

Mr. Roy: It may be a delayed reaction, but we have to challenge your ruling.

4:40 p.m.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Birch, Brandt, Breough, Bryden, Cooke, Cousens, Cureatz, Dean, Di Santo, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Grande, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kerr, Kolyn, Lane, Laughren, Leluk;

MacQuarrie, Martel, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Philip, Piché, Pollock, Pope, Ramsay, Renwick, Robinson, Rotenberg, Runciman, Scrivener, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Swart, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Bradley, Breithaupt, Conway, Cunningham, Edighoffer, Elston, Haggerty, Kerrio, Mancini, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Reed, J. A., Reid, T. P., Riddell, Roy, Ruston, Spensieri, Sweeney, Worton, Wrye.

Ayes 68; Nays 24.

Mr. Speaker: Mr. Shymko has moved the adoption of the report. Shall the report be received and adopted? All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Mr. Roy: Mr. Speaker, on a new point of order, I think it would be in the best interests of this House if this problem encountered here today was referred to our committee on procedural affairs, because we have—

Interjections.

Mr. Roy: Hold it, the government cannot use its majority to run roughshod—

Mr. Speaker: Order. Will you please address yourself to the point of order?

Mr. Roy: Mr. Speaker, the reason I raise this is that back on May 22, 1981, in a similar situation in committee, the chairman of the justice committee, the member for Oxford (Mr. Treleaven), made the following ruling, and I quote: "The chairman advised the committee that the committee could sit beyond its usual time of adjournment provided no member objected. If a member objected to extending the sitting, the committee would adjourn, there not being unanimous consent."

You can see, Mr. Speaker, we have conflicting rulings from—

Interjections.

Mr. Speaker: Order.

Mr. Roy: I would suggest that this matter be clarified, referred to the standing committee on procedural affairs, so that there be a standing order on procedures and on adjournment of committees.

Mr. Martel: Mr. Speaker, a number of years ago a recommendation was made that there should be a panel of chairmen so that someone would teach them consistency in the rules of this House. Surely it is time that panel of chairmen started to work together so that we could have consistent rulings in the way all committees are run.

What is going on is there is an abuse of the rules in the playing of the numbers game last night. There should have been a motion to sit beyond 10:30 p.m., in my opinion, or at least agreement in totality. When there is neither, then there is trouble. We are now down here defending the Speaker's ruling. Some of the members opposite should learn the rules before they play the bloody numbers game.

Mr. Shymko: Mr. Speaker, as chairman of the committee I would like to make it specifically clear that at 10:30 p.m. there was a request by the member for Brantford (Mr. Gillies) asking whether he should continue. There was agreement to continue. There were no objections and

we continued. It was only when a motion was presented—as a matter of fact, two motions were presented—that all of a sudden, for one reason or another, someone objected and used the expression, “We want to adjourn.” The meeting proceeded on the agreement of all the voting members of the committee.

Mr. Speaker: So the matter has been dealt with, and there is no point of order.

Mr. Breithaupt: Mr. Speaker, since the committee chairmen are new members of the House, would it not be helpful if you called the committee chairmen together—or through the auspices of the Clerk—so that they would be given a fair opportunity to follow through on the rules with consistency? I think it would be helpful to the committee chairmen.

Mr. Speaker: Thank you. Shall the bill be ordered for third reading?

Ordered for committee of the whole House.

4:50 p.m.

MOTIONS

HOUSE SITTINGS

Hon. Mr Wells moved that when the House adjourns today it stand adjourned until Thursday next at 2 p.m.

Mr. Kerrio: What time?

Hon. Mr. Wells: What time what? I would propose that the House adjourn as soon as we conclude the stacked votes around 5:20 or 5:25.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Wells moved that, notwithstanding the provisions of standing order 64(a), government business be considered on the afternoon of Thursday, July 2.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I might indicate to the members of the House that the order of business for Thursday afternoon and evening and Friday morning will be to continue the bills on the Order Paper. There will remain, perhaps, Bill 129 in committee of the whole House. We now have Bill 113 in committee of the whole House, then Bills 68, 124, 126, 127, 105, 106 and 121.

House in committee of the whole.

WORKMEN'S COMPENSATION

AMENDMENT ACT

(continued)

Resuming the adjourned consideration of Bill

129, an Act to amend the Workmen's Compensation Act, 1974.

Mr. Chairman: My understanding is we are on section 5, the previous sections having been approved. Do you have an amendment to section 5, Mr. Laughren?

Mr. Laughren: Yes Mr. Chairman, I have an amendment to section 5.

On section 5:

Mr. Chairman: Mr. Laughren moves that section 43 of the act as set out in subsection 1 of section 5 of the bill, be amended by striking out “\$156” in clauses (a)(i) and (ii) and substituting “\$243,” striking out “\$623” in clause (b)(i)1, and substituting “\$866,” and striking out “\$686” in clause (b)(i)2 and substituting “\$970.”

Mr. Laughren: Mr. Chairman, the purpose of this amendment is to raise the minimum level for total temporary disability. The feeling—

Mr. Chairman: Order.

Mr. Laughren: Mr. Chairman, it is nice to have you on my side.

Mr. Chairman: I would like to hear you.

Mr. Laughren: Yes, it is cause for concern. The reason we are presenting this amendment is that we feel that for someone who is totally disabled, and this is someone who is totally disabled temporarily, there must be a minimum beyond which the level must not fall. The level set out by the minister's bill is simply inadequate. We have, therefore, increased the amounts to what we think are more in keeping with the needs of injured workers in the province.

Hon. Mr. Elgie: Mr. Chairman, my remarks on this are the same as they have been on the other sections that have been proposed. The government has introduced interim benefits which are in keeping with the inflationary changes over two years. There is a white paper before the House and before the public indicating significant proposals for revision. These amendments are inappropriate and I cannot support them.

Mr. Chairman: Those in favour of Mr. Laughren's amendment to section 5 will please say “aye.”

Those opposed will please say “nay.”

In my opinion the nays have it.

Amendment stacked.

On section 6:

Mr. Chairman: Mr. Laughren moves that section 6 of the bill be amended by adding thereto the following subsection:

Section 44 of the said act be amended by adding a new subsection 8:

"Commencing with the year 1981 and annually thereafter the board shall, as soon as practical after September 30, review the wages and salaries earned by workers who suffered injury and to whom compensation was paid during the period of one year immediately preceding September 30 of the year of the review; and whenever that review reveals that 10 per cent or more of those workers are earning in excess of the maximum wage rate at the time of the review the board shall, by order, increase the maximum wage rate for injuries occurring on or after the first day of the succeeding year by the appropriate number of increments of \$1,000 as is necessary to reduce the number of workers whose salaries exceed the maximum wage rate to less than 10 per cent of the workers who suffered injury and to whom compensation was paid during the period of review."

Mr. Laughren: Although the amendment is a bit wordy, the purpose of this is quite clear. It is to put into place an automatic mechanism whereby the ceiling is automatically increased by the number of claimants who make claims at the board in any given year. If more than 10 per cent of the people making claims at the board exceed the ceiling, this would bump the ceiling, which now the minister is putting at \$22,200. If more than 10 per cent exceeded that then it would jump up to \$23,200, for example.

Obviously, we would have preferred our previous amendment, which would have raised the ceiling to the Weiler suggestion to about \$40,000. Failing that, this at least puts into place an automatic mechanism and does not put the injured workers at the whim of the Minister of Labour. We would not have the agony we go through in the chamber every two years of debating this. There is no reason at all why there should not be an automatic mechanism. I would be very interested, aside from the minister's statements which are getting very repetitive—

Hon. Mr. Elgie: So are yours.

Mr. Laughren: —I am waiting for the Chairman to rule out of order the minister's explanations as to why he does not support our amendments every time, because the minister is being repetitive. I would be interested to know if there is any reason, in principle, why the minister would disagree with an automatic mechanism like this. It would surely make things easier for the minister and, as a matter of fact, for the compensation board.

I wonder to what extent the resources of the board are used every two years just on the catch-up mechanism. The problems that it must cause the board when these increases are computed for all the existing claims must be horrendous. God only knows how much more efficient the board could be if we had automatic mechanisms in place that did things like bump up the ceiling.

5 p.m.

Hon. Mr. Elgie: Mr. Chairman, the government does not accept this amendment. As the member well knows, the ceiling has been increased in line with the cost of living and the new proposal put forward in the white paper with regard to ceiling adjustment is there for discussion and consideration.

Mr. Chairman: Those in favour of Mr. Laughren's amendment to section 6 will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

On section 7:

Mr. Laughren: Mr. Chairman, this is the last amendment. Perhaps the minister could reflect on how he shot down in flames all of these various amendments we have put forth. Here is an opportunity for him to redeem himself in the eyes not only of those of us who are supporting the amendment but of the injured workers in the province and to grant us this one final concession for injured workers in the province.

Mr. Chairman: Mr. Laughren moves that section 51(3)(b) of the act as set out in section 7(1) of the bill be amended by striking out "\$290" and "\$145" and inserting in lieu thereof "\$450" and "\$230" respectively.

Hon. Mr. Elgie: Would the minister be allowed to have a copy of that amendment please?

Mr. Laughren: I have a queasy feeling all over that the minister is going to accept this amendment.

Hon. Mr. Elgie: You get queasy whenever my dog is near you, but I am surprised you are queasy today.

Mr. Chairman: Mr. Laughren, do you have any further comments?

Mr. Laughren: I am quivering in anticipation of the minister's response. I know he is used to having people quivering in anticipation of his responses, but it is a new experience for me.

This amendment will increase the allowance for replacement or repair of clothing that is worn out or ruined by upper or lower prostheses. It is a phoney ceiling that is put in the bill. Where did the figures \$290 and \$145 come from? I suggest they are arbitrary numbers and that the minister could replace those numbers with the ones we have put in. As a matter of fact, if the minister thought he would lose some kind of standing or stature in the government or elsewhere by the figures \$450 and \$230, we are open to negotiation if he wants to split the difference.

Hon. Mr. Elgie: I am always delighted to hear that although he is trembling in anticipation, he is always ready to negotiate as well.

Mr. Chairman, the position of the government is the same on this as on the other amendments. We have already introduced proposals which allow for cost of living increases over the past two years.

Mr. Laughren: Mr. Chairman, Laughren is the name and compromise is my game. I must say the minister is making it very difficult to deal with him in a positive way, because in this bill we have moved a number of amendments, not all of which were very expensive. Some would have bumped the ceilings or the amounts up substantially, but that is not true of all the amendments. For the minister not to have accepted any of them is an indication of his intransigence and all I am waiting for him to do now is to stand up and say that this is the reality of March 19.

Mr. Chairman: All those in favour of Mr. Laughren's amendment to section 7 will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Amendment stacked.

Mr. Chairman: Mr. Laughren, I was hesitant in inquiring about section 6 because the table has another amendment. Were you intending including that amendment? Have you dropped that?

Mr. Laughren: I thought I had moved that amendment.

Mr. Chairman: I might be in error. If we could beg the indulgence of the House, this was it: Mr. Laughren moves that section 44(1) of the act, as set out in section 6(1) of the bill, be amended by striking out "\$22,200" and inserting "in lieu of \$40,000". Did you intend including that?

Mr. Laughren: I thought I moved that just prior to adjourning for Orders of the Day.

Mr. Chairman: No, you didn't. What do you suggest we do now?

Mr. Laughren: I would suggest that, with unanimous consent and with the promise of the minister that he accepts it, we move the amendment now.

Hon. Mr. Elgie: No, we passed that section.

Mr. Laughren: Will you not let me move that amendment now and stack it with the other amendments?

Hon. Mr. Elgie: No.

Mr. Laughren: All right.

On section 8:

Mr. Laughren: Mr. Chairman, due to the minister's intransigence, I think it is time we had a prolonged debate as to the date on which this bill is going to receive royal assent. Here we are on June 30. The minister has brought in a bill that is inadequate in the level of benefits that injured workers are going to receive.

Hon. Mr. Wells: Come on. Let's go. Don't waste time.

Mr. Laughren: Don't waste time, you say. I want to tell you something, my friend, all we asked was unanimous consent to include an amendment to the bill that I failed to put earlier because we adjourned for Orders of the Day. You would not give unanimous consent to stack it with the other amendments, so don't talk to me.

Hon. Mr. Wells: You have tried our patience with a whole bunch of amendments anyway.

Mr. Laughren: Perhaps the debate should be centring on the wisdom of the government bringing in the bill at this time in the first place. That is what we should be debating.

Mr. Chairman: You are speaking to section 8.

Hon. Mr. Wells: Just tell everybody that you don't want the bill.

Mr. Cooke: Typical Tory manipulation.

Interjections.

Mr. Chairman: Have we had our say now, honourable members? Mr. Laughren.

Mr. Laughren: I had my say while I was on my feet.

Mr. Chairman: You are on your feet now. Would you speak to section 8?

Mr. Martel: You won't give us unanimous consent to go back?

Mr. Chairman: No, Mr. Martel, he won't. Mr. Laughren, please.

Mr. Laughren: Mr. Chairman, we are addressing section 8. Section 8 states, "This act comes into force on the day it receives royal assent." I wonder what is going to happen when the Lieutenant Governor reads the debate today and realizes the government refused to give its consent to moving an amendment to one of the sections simply because it was out of sequence. I would not be surprised if the Lieutenant Governor refuses to give royal assent. What do you do then if the Lieutenant Governor says, "No, I am not going to be part of this manipulation and steamrolling on the part of the Tories"?

Hon. Mr. Wells: Don't excuse your own mistake.

Mr. Laughren: It is possible. You take a lot for granted because you have a majority, but you should not take the assent of the Lieutenant Governor for granted. That is to bring dishonour on His Honour.

As a matter of fact, with the Queen Mother coming, it is quite likely the Lieutenant Governor will strike a note of independence and say he wants no part of giving royal assent to a bill that provides an inadequate ceiling. If only you would allow me to move the amendment to section 6 which raised the ceiling from \$22,200 to \$40,000, then there is no doubt His Honour would give royal assent to this bill. It would then become the law of the land.

Interjection.

Mr. Laughren: What?

Mr. Chairman: Never mind the interjection.

Mr. Laughren: Mr. Chairman, I will conclude my remarks, but it would not have hurt the government members one bit to have allowed us to move that amendment out of sequence.

Section 8 agreed to.

Section 9 agreed to.

Mr. Chairman: We have a number of stacked amendments to be dealt with on three bills.

Call in the members.

5:20 p.m.

ONTARIO WASTE MANAGEMENT CORPORATION ACT (concluded)

The committee divided on Mr. G. I. Miller's

amendment to section 15 of Bill 90, which was negated on the following vote:

Ayes 30; nays 53.

Section 15, as amended, agreed to.

The committee divided on Mr. McGuigan's amendment to section 16, which was negated on the same vote.

Section 16 agreed to.

Bill 90, as amended, reported.

EMPLOYMENT STANDARDS AMENDMENT ACT (concluded)

The committee divided on Mr. Renwick's amendment to section 1 of Bill 95, which was negated on the following vote:

Ayes 9; nays 74.

Section 1 agreed to.

The committee divided on Mr. Wrye's first amendment to section 2, which was negated on the first vote.

The committee divided on Mr. Wrye's second amendment to section 2, which was negated on the first vote.

The committee divided on Mr. Renwick's first amendment to section 2, which was negated on the second vote.

The committee divided on Mr. Renwick's second amendment to section 2, which was negated on the second vote.

Section 2 agreed to.

Bill 95 reported.

WORKMEN'S COMPENSATION AMENDMENT ACT (concluded)

The committee divided on Mr. Laughren's amendment to section 1 of Bill 129, which was negated on the following vote:

Ayes 30; nays 53.

Bill 129 reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with certain amendments and two bills without amendment.

The House adjourned at 5:29 p.m.

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No. 65

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, July 2, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, July 2, 1981

The House met at 2:05 p.m.

Prayers.

TRIBUTES TO R. ALAN HAY

Mr. Smith: First—on a point of privilege, I suppose, Mr. Speaker—I want to rise and say a brief word of tribute to the late R. Alan Hay.

I think members opposite were all very familiar with Mr. Hay, who worked tirelessly for virtually his entire lifetime since the war for the good of the hospital system in Ontario. He has been a very outstanding servant of that system and indirectly, therefore, of the people of Ontario.

I want to say how sorry I am personally—I knew him personally—to hear of his sudden death while on a vacation with his wife in Quebec. I was very shocked by the news and simply want to pay tribute to him and to offer our condolences to his family.

Hon. Miss Stephenson: Mr. Speaker, in the absence of the government House leader, I should like on behalf of the government to submit to Mrs. Hay our deepest regret at Alan's very sudden passing.

I have known Alan Hay for more than 30 years, and I can only agree wholeheartedly with the leader of the official opposition that he was indeed a tireless worker on behalf of the hospital system in this province and in this country.

His role in both the Ontario Hospital Association and the Canadian Hospital Association has led both associations to new achievements, which I believe could not have been met without Alan's dedication and commitment to the cause of excellence in hospital care for patients in this province and in this country. We deeply mourn his passing.

Mr. Breugh: Mr. Speaker, I want to join with other members of this Legislature in expressing our sympathies to the family. Alan Hay was a man who dedicated his lifetime to putting together one of the world's great hospital systems, which was not without its problems. He was a person frequently before committees here at Queen's Park. He gave to the members some new level of expertise and a slightly different perspective from that provided us by the ministry.

To people like Alan Hay, who devote their lives to making our institutions better places for

the people of Ontario, we all owe a great debt of gratitude. We add the voice of the New Democratic Party to those who expressed sympathy this afternoon.

ORAL QUESTIONS

TAX INCREASES

Mr. Smith: Mr. Speaker, I want to direct a question to the Treasurer.

In view of the fact that, effective yesterday, the Treasury of Ontario has begun to profit from Premier Lougheed's second oil production cutback, to the tune of \$13.4 million annually, is the Treasurer prepared to accept that perhaps that is enough profiteering at the expense of the Ontario taxpayer from a very unfortunate Ottawa-Alberta dispute?

Will the Treasurer agree to forgo any additional ad valorem profits that will accrue to the Treasury from the next cutback anticipated in the fall, should it occur? I ask him the question now, because we will not be here in session when the possible third oil production cutback might occur.

I hope the Treasurer will announce that perhaps he has taken sufficient extra money out of the pockets of Ontario taxpayers, thanks to Premier Lougheed's action, and, if there is another cutback by Premier Lougheed, he will not seek to profiteer further.

Hon. F. S. Miller: Mr. Speaker, the assumption that somehow the dispute is the only cause of an increase in the oil price is an erroneous one. The member knows, as I do, the price of petroleum in Canada is considerably below the world price yet. I thought the Leader of the Opposition at times had suggested a world price was the appropriate one for Canadian oil.

The fact remains that we have had many hours of debate in this Legislature within the last two weeks on this very issue. It was thoroughly discussed. This province, in a world where inflation has become rampant, has decided that the discrete tax such as we used to levy no longer can apply effectively over even a period of one year. Therefore, we have changed our tax system, as have all the provinces but one in this country.

2:10 p.m.

Mr. Smith: Given that the price of gasoline is going up for a number of reasons and that the cutback by Alberta is perhaps one major reason but not the only reason for this, what justification does the Treasurer feel exists, taking into account the hardship that is placed by Ontarians by these increases, for increasing the degree of hardship each time it occurs?

Given that he never anticipated these cutbacks by Premier Lougheed when he prepared his budget, given that these are purely windfall or extra profits for Ontario's Treasury based on Premier Lougheed's action, why cannot the Treasurer at the very least agree that further cutbacks by Premier Lougheed that lead to increases in the oil price will not be profiteered upon by the province of Ontario to the detriment of our own citizens?

Why can he not at least agree to forgo the ad valorem aspects of this on any price increase resulting from a further cutback by Alberta?

Hon. F. S. Miller: Again, the perception the Leader of the Opposition is trying to create is simply that somehow we pocket this money and have a great reserve of cash somewhere. I have been criticized very roundly by him and other members of his party at times for having a deficit. I have to point out that I still have a deficit.

This money will be used for at least two purposes: one, the extra cash will obviously lower borrowing across the province; two, in the absence of a federal assistance program to cushion the cost of home heating oil, which we do not tax, we have circulated roughly \$62 million to \$66 million this year alone back to people on low incomes to help cushion the shock as they adjust to the prices as they come close to world price.

Mr. Martel: Supplementary, Mr. Speaker: When he was in Victoria recently, the Treasurer "reminded his colleagues of Ontario's deep concerns over growing inflation rates in the Canadian economy." Instead of weeping those crocodile tears out there, why is he not at least eliminating the ad valorem in Ontario which continues to contribute to the rate of inflation he is complaining about?

Hon. F. S. Miller: Mr. Speaker, I think the greatest contributor to inflation is excessive government spending and, if any province in Canada has shown by example how to constrain the growth in government costs, Ontario has.

Mr. J. A. Reed: Supplementary, Mr. Speaker: How does the Treasurer have the nerve to behave like such a hypocrite? A few years ago, his government was establishing a direct link between economic recession and the increase in petroleum prices. I have some of the quotations right here. A few years ago he was doing that. I think it was four ministers ago that the Minister of Energy froze the price of the inventory of petroleum in this province.

How does the Treasurer have the nerve to come back and bleed the consumers to this extent?

Hon. F. S. Miller: Mr. Speaker, the energy critic for the Liberal Party knows full well that our tax does not apply to the feedstock for industrial use or for home heating. It applies only to those parts of the petroleum consumed on the highways of Ontario.

ASSISTED HOME OWNERSHIP

Mr. Smith: Mr. Speaker, I want to direct a question to the Minister of Housing. The minister will recall that a week or two ago I asked if he would assist, by means of government programs, to bring home ownership within the means of ordinary working Ontarians. At that time, he expressed the view that government funds could not be used to assist home ownership.

However, I notice from the press that the minister is not totally opposed to the use of government funds to assist home ownership provided the recipient of those funds is himself. Under the circumstances, will the minister explain why there is one policy that he suggests for the people of Ontario and a very different policy for himself?

Hon. Mr. Bennett: Mr. Speaker, regarding the issue that the leader of the Liberal party raises today—and I guess to some degree he thinks he is getting a little shot at the Minister of Housing—frankly, I made my position very clear on that yesterday. His House leader, sitting beside him, can describe the situation in as complete detail as I can.

I said very clearly that I looked for no compensation from this government or the Treasury of the province in the issue the member is talking about, but I did feel that as an

out-of-town member living some 250 miles from this community I was entitled to the same living allowances as those of any other MPP.

[Applause.]

Mr. Smith: I am pleased to see there are a few others anxious to get the same thing.

Hon. Mr. Bennett: You're sanctimonious.

Mr. Speaker: Order.

Mr. Smith: Given the fact that home ownership in Toronto over the last couple of years has probably been the surest and most lucrative way of ensuring a capital gain that anybody has yet come up with, how does the minister have the nerve to make statements in the House, such as "people are going to have to be very realistic about life," "not everyone is going to be able to own a home in our society" and "people are going to have to give up their idea of a dream home"?

How does he have the nerve to stand before the citizens of Ontario and tell them they will have to forget about home ownership and then turn around and try to use government assistance for himself to assist with capital gains?

Some hon. members: Don't answer him.

Hon. Mr. Bennett: I am being advised by my colleagues, and maybe I should take their advice, but I only want to offer one comment to the member for Hamilton West in regard to the low tactics he wishes to pull in this House today.

Very clearly, I make no apology to him or any of the other 123 members in this Legislature, nor to the 8.5 million people in this province, that I, through my diligence and hard work, was able to make enough money to buy a home.

I said clearly to the press, radio, TV and to anyone else who wished to listen—and I hope the honourable member has his ears open—that I came to Queen's Park to serve the people of Ottawa South. Indeed, I came to Queen's Park and was selected to be a minister of this government. This is where I spend most of my time now.

I have a family. My daughter, my son and my wife are going to live under the conditions and circumstances that I had the opportunity of being brought up under when I was living under the roof of my father. I am not going to downgrade the conditions or standards given to my children.

The honourable member stands in this House, along with others, and talks about family unity, about bringing the family together and keeping it together. He collects his living allowance. Others in his party collect it. I am only saying

that, from common sense and a logical position, if it is good for one member from outside the Metropolitan Toronto area—and that happens to be the area I represent—then I think I am entitled to that same living allowance. It should have nothing to do with whether I happen to own my home or rent it.

The fact is that I have a double expense living in this community, the same as the members of his party and the same as the members of the third party. This Legislature brought in that act to afford each member some relief against the double cost of living in representing the people of his or her riding in this province.

Mr. Smith: The issue is not whether the Minister of Housing should have funds to assist him with his expenses in representing his constituents here, but whether the money should be used to help him achieve a capital gain.

Hon. Mr. Sterling: That's a lie, that's a lie.

Mr. Lane: How low can you get?

Mr. Speaker: Order.

Mr. Breithaupt: That's exactly the point.

Hon. Mr. Ashe: Go and read what was said. See what the issue is. Educate yourself.

Mr. Speaker: Order.

Mr. Smith: Given that the merits of home ownership which the honourable member's father apparently understood and which he understands are well understood by the average working person out there working hard for a living today in Ontario, and given that today the average person under no circumstances can afford to buy even the average-priced home in the Metropolitan Toronto area and in many other areas of Ontario, how can the minister lecture us about the importance of home ownership to family life and yet deny to the average working person in Ontario the possibility of home ownership by his continued refusal to use government funds to assist people with the acquisition of homes?

Hon. Miss Stephenson: That is nonsense.

Hon. Mr. Henderson: Send him home, Mr. Speaker.

Hon. Mr. Norton: Even some of his own colleagues won't listen to him.

Mr. Speaker: Order.

2:20 p.m.

ASSISTANCE FOR NORTHERN UNIVERSITIES

Mr. Martel: Mr. Speaker, I have a question for the Minister of Colleges and Universities.

Since the need for university and college programs in northern Ontario is clearly being met not by our own institutions but by the invasion, almost, of American institutions offering master of education and master of business administration programs in Sudbury and Sault Ste. Marie, will the minister not acknowledge that there has to be some additional funding and assistance to these universities so they can provide the necessary courses for the residents of northern Ontario?

Hon. Miss Stephenson: Mr. Speaker, I am sure the honourable member is aware that there is a very generous northern allowance, which is provided to northern universities in addition to the formula, to ensure they are able to meet the requirements of the north, given the circumstances under which they operate.

I certainly have been strongly supportive of that continuing differential, because I recognize the difficulties which the northern universities have. There are some structural problems, I believe, within the northern universities, which may require some modification to make them more effective and more efficient. I am not sure this alone will retard the invasion, as the honourable member calls it, of American universities into Ontario.

As a matter of fact, it seems to me that even under Bill 4 that university would have qualified, because it is approved by the credentials group within the southern part of the United States in terms of that program. If the universities themselves want to provide that program, I think they are certainly at liberty to do so. Given the stimulation of seeing how rapidly others come in to do it, they may consider that to be the appropriate route.

Mr. Martel: In view of the fact that there are at least three universities now offering MBAs and MEds, does the minister think it is right that academic jobs are being lost at Algoma and that positions remain unfilled at Laurentian while unqualified Americans are coming to teach American courses in the north?

Hon. Miss Stephenson: I am not sure at all that the honourable member is correct that there will be faculty jobs lost as a result of this. It is my understanding that an arrangement has been established between Algoma University College in Sault Ste. Marie, for example, and Nova, to provide through Algoma's own faculty the kind of course Nova offers and a degree that can be given by Algoma on behalf of Nova University.

Whether there is any faculty employment loss, I cannot tell the member at this point, but that is certainly something I shall look into. It seems to me that if the universities the need for this they should have the opportunity to move in that direction themselves without relying on the intrusion of some faculty members from out of the province.

Mr. Martel: Does the minister think it is good enough that students enrolling in these US courses, programs that are being offered in the north, have no assurance that they will have the proper library facilities and space; as in the case of Sudbury, where they are going to Cambrian College rather than the university and where the jobs are not being offered to faculty at Laurentian?

Does the minister not think the quality controls that are necessary for our own universities should be met by those coming from somewhere else?

Hon. Miss Stephenson: I believe the universities that are offering the courses must take that into consideration. But I remind the honourable member that the universities themselves make the decisions about the ways in which they will spend their funds, and they have had a very significant increase in 1981 and 1982 which I believe will help them to solve some of the difficulties they have seen in the past.

WOMEN'S EMPLOYMENT COUNSELLING

Mr. Martel: Mr. Speaker, I have a question for the Provincial Secretary for Social Development in the absence of the Minister of Community and Social Services (Mr. Drea).

Can the provincial secretary indicate why the government is prepared to allow the well-known Times Change women's employment service to go down the tube for want of funding, in view of the service it is providing to the province through the assistance it gives to women who are seeking employment and who are currently on welfare?

Hon. Mrs. Birch: No, Mr. Speaker, I do not have that information. I will ask the minister when he is here tomorrow to give the honourable member a response.

Mr. Martel: Since at least 40 per cent of the current employee counselling going on out of the 900 cases that are there are on special assistance provided by the province through family benefits and general welfare, could this not be an opportunity for the government to fund that program, because of its success rate in

placing people, to ensure that it does not go down the tube and that people—women in particular—are not forced to stay on the welfare rolls?

Hon. Mrs. Birch: Mr. Speaker, as I indicated, I do not have the information the member is asking for, but I will speak to the minister responsible and find out what the answers are.

Mr. Martel: I have one final supplementary the provincial secretary might ask the minister to respond to when he is in his place.

Since the Ministry of Community and Social Services states categorically it wants to get people re-employed, retrained and so on, and since Times Change had a placement record of about 68 per cent in 1980, by its own analysis—68 per cent of whom are on provincial funding—would it not be an opportunity—and the provincial secretary might ask the minister, since the ministry has now twice turned down this agency—to further reduce rather than see the trend go the other way, if this service goes out of existence in the very near future?

Mr. T. P. Reid: I take it there is no answer.

GRIEVANCE BOARD DECISIONS

Mr. T. P. Reid: Mr. Speaker, I have a question for the Chairman of Management Board in regard to grievance procedures in the Ontario public service.

Is the minister aware of the Crown Employees Grievance Settlement Board's decision in regard to the gentlemen who were involved with the Liquor Licence Board of Ontario, particularly in Ottawa? Is the minister aware in particular of the decision of the Crown Employees Grievance Settlement Board in regard to those two people who were found guilty of uttering? Is the minister satisfied with that particular decision, and does he have any review procedures of the Crown Employees Grievance Settlement Board under way at the moment?

Hon. Mr. McCague: Mr. Speaker, I am aware of the matter to which the honourable member refers. It has been the policy of this government, of course, not to interfere with the decisions that are made by one of our boards or commissions. There are occasions on which a ministry will decide to appeal a decision. In this case, I understand the Minister of Consumer and Commercial Relations (Mr. Walker) chose not to appeal it.

Mr. T. P. Reid: Is the minister aware of the comments of the Minister of Consumer and

Commercial Relations before the public accounts committee of June 11, 1981, and his concern expressed at that time that he did not agree with some of these decisions of the grievance settlement board?

Is the minister further aware that an employee of the Ministry of the Attorney General was convicted of an offence and the grievance settlement board subsequently overturned it?

Is the minister aware that the grievance board is saying that it does not agree with judgements made in the legal law courts, and is he not concerned that in some of these instances common sense seems to have flown out of the window in regard to some of the findings of the Crown Employees Grievance Settlement Board?

Hon. Mr. McCague: Concerned or not, I am sure there are occasions when employees are not satisfied with decisions, and I am sure there are occasions when the employer is not satisfied with decisions, but common sense would say that one does not interfere with them any more than one interferes with decisions made by the courts.

HOUSING PRICES

Mr. Philip: Mr. Speaker, I have a question for the Minister of Housing with reference to the multiple listing service sales in Metropolitan Toronto and the surrounding districts covered by the Toronto Real Estate Board.

Does the minister subscribe to the views stated by the board president, Mrs. Sadie Moranis, in a release accompanying the June MLS figures, that we now have a buyers' market? Does he, therefore, think we have now turned the corner on house prices and affordability in the Metro Toronto area?

Hon. Mr. Bennett: Mr. Speaker, the only thing I can say in reply is that is the personal opinion of the president of the Toronto Real Estate Board. I have not had any discussions either with her or her board in the last month or six weeks. So I would imagine what she is trying to relate it to is her own experience in the marketplace today.

Mr. Philip: In speaking to her own experience then, does the minister not know that the average price of a MLS home, including condominium apartments and town houses, is now more than \$100,000? Does he not appreciate that prices went up last month by 7.7 per cent, which is almost as high a percentage increase as

in April, and by more than \$7,000, which is the highest monthly increase in the first half of this year?

2:30 p.m.

Faced with those figures, will the minister not at long last introduce a speculation tax on those people who would wheel and deal in the housing market in Toronto, the in-and-out artists who are forcing up the prices of housing?

Hon. Mr. Bennett: If I can go back over the last several weeks, during which we have been talking in this House about housing prices in the Metropolitan Toronto area, we have constantly referred to the averaging price. I have said time and again that to try to talk about averaging price really does not have much relationship to the individual home the member or I or someone else might wish to purchase.

If we look at some of the MLS sales reports—not listings—some of the very heavy action has been in the units that have been extremely high in sale value. I am talking about over the \$150,000 position.

In answer to a question from the member for Parkdale (Mr. Ruprecht), I said if we are looking at the area of speculation—and I take it that is what the member for Etobicoke is now referring to—there is the capital gains tax in this country that will catch that speculator if he or she does not remain a resident of that unit for a period of at least half a year plus a day. Otherwise, they are in a speculative position and subject to capital gains tax. I do not intend to suggest to my colleagues in cabinet that we should be looking at a speculation tax.

Frankly, I think we should be a little more considerate of what is going on in the marketplace. There have been some very small individuals who have been buying and selling their homes after they have owned them for a period of years, individuals of average income who have decided to sell their homes because they have a chance to either trade up or go into a wholly different style of living. I do not think we are going to get into the field of speculation tax to be a penalty against those individuals. If it is speculation, then the capital gains should look after it.

Mr. Philip: Perhaps the minister misunderstood my question. I was very specific in talking about sales and not listings.

Dealing with the minister's answer, does the minister not understand that for the first time fewer than half the homes sold on MLS were at \$80,000? While he was incorrectly stating a few

days ago, and then reiterating the same thing today, that people could obtain homes at a lower price if they simply looked for them, is he aware that in June only 46.4 per cent were under the level of \$80,000?

Does he not understand that for people who want to buy a cheap home—that is, up to \$40,000—in this city and the surrounding areas, there were only 82 units to choose from in all of this area? What is the minister doing about affordability in housing in the light of those figures, which are sales figures and not just listing figures?

Hon. Mr. Bennett: I do not recall having spoken today on the affordability question. The member has raised this particular point. We have reviewed the market situation. I have not looked at the recent MLS listing or sales program the member speaks about. I have done other things with my time today. Frankly, I do not see the situation altering or changing.

If the member wants to take the Toronto Star and read through the individual ads, he will find a number of units. I am not going to debate the number of them, although I can tell him we still have a number of units under the ownership of the Ontario Mortgage Corporation in various areas in the proximity of the Metro area that are still in the reasonable price range for those who wish to buy them.

PASSENGER RAIL SERVICE

Ms. Fish: Mr. Speaker, I have a question of the Minister of Transportation and Communications. In the light of the recent announcement that the federal Liberal government will be providing \$80 million in support to the province of Quebec for commuter services in Montreal and the recent announcement by Via Rail of the proposal to eliminate some 16 passenger rail lines, many of which are in the greater Toronto area and are currently used as support to commuter rail, and in view of the many varied and oft-repeated commitments of the federal Liberal government over the last decade to provide support for passenger rail and commuter services in Ontario, has the minister had any contact with or information from the federal Minister of Transport to indicate whether the Quebec-dominated federal Liberal government intends to honour any of its many and varied commitments and to provide support to the residents of Ontario for commuter rail service as it has to the residents of Quebec.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Snow: No, Mr. Speaker, I have not had any contact from the federal minister nor from Via Rail with regard to any of these items.

The honourable member refers to an announcement by Via Rail of the discontinuance of 16 lines. I do not believe there has been such an announcement, although there certainly has been speculation in the newspapers of this pending announcement.

Mr. Martel: Benjamin raised it last week in Ottawa.

Hon. Mr. Snow: I happened to be watching the Ottawa question period the other evening when one of the New Democratic Party members from Saskatchewan asked Mr. Pèpin if this rumoured 16-route discontinuance was right. Mr. Pèpin did not deny it was being considered, and he gave a lot of figures as to how much of a deficit the federal government was encountering with Via Rail.

Of those 16 routes, I believe six are in Ontario. Some no doubt will be of key interest to northern Ontario members, because two of those six routes are in the north. Although I have had no announcement on them yet, I know those routes in the north have been of concern to us because of the lack of alternative transportation if that discontinuance does take place, since some of those communities are very difficult to get to in any other way.

With regard to the \$80-million subsidy to Quebec, Mr. Pèpin made reference during that same question period, I believe in response to a supplementary by the Honourable Mr. Sinclair Stevens, to the fact that Ottawa had contributed \$10 million to GO Transit. It is very interesting that he referred to the Montreal commuter service as GO Transit, and I want to assure all the members that I am not expanding GO Transit into Montreal.

In any case, he referred to the \$10 million, which is the only federal contribution to GO Transit to date and which was made some 10 years ago. He suggested that offset an equivalent contribution of \$80 million to Quebec, and I guess that—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Snow: Even using MacEachen's and Mr. Trudeau's economics and the way they have wrestled inflation to the ground, I do not believe \$10 million of 1972 or 1973 dollars would make up \$80 million today.

We have not had any discussions with them regarding these discontinuances. Certainly the

Barrie, Stouffville and Havelock services would be missed if they were discontinued. Although I cannot refer to the Havelock service as a commuter service, it certainly will be missed if it is discontinued.

Mr. J. A. Reed: Mr. Speaker, I have a supplementary for my constituent the honourable Minister of Transportation and Communications.

Did I hear the minister correctly when he said he had not made contact with Ottawa, that he had not been to Ottawa in connection with the matters the honourable member raised and which she considers to be serious? Would that be a reason she considers Ontario is not getting its full share—because the minister is not active enough to point out the needs to the federal government?

2:40 p.m.

Hon. Mr. Snow: Mr. Speaker, I am glad my member is here today; there have been a number of days he could not have asked a supplementary question. He is with us today and I am very glad my representative is working so hard in representing us from the great riding of Halton-Burlington. I do not know how the honourable member could misunderstand what I said. I have not been contacted by Mr. Jean-Luc Pèpin, the federal Minister of Transport, or by Via Rail with regard to these items. The first I heard—

Mr. Smith: The identical question was asked three days ago.

Mr. Speaker: Order.

Hon. Mr. Snow: Would the honourable member just pipe down a little bit? I did not ask him for any—

Mr. Smith: This question was asked three days ago.

Mr. Speaker: Ignore the interjections.

Hon. Mr. Snow: I do not know what the honourable Pooh-Bah from Hamilton is talking about. In any case, I have to say the first I heard of this item was Monday night during televising of the question period. I have not been in touch with Mr. Pèpin since Monday night at 10 o'clock when I first heard about it. As I understand it, it was first raised in the newspapers Tuesday afternoon. I do not know what the unreliable Leader of the Opposition is talking about in the statement he has made.

Over the years I have had many meetings with federal ministers with regard to assistance in funding for Union Station and for GO Transit.

We have had many commitments. It has been in the throne speech and in election announcements. I have many files on this matter, but to this date, other than the \$10 million I referred to, I have not seen any confirmation of any consideration at this stage.

During the short-lived term Mr. Donald Mazankowski was federal Minister of Transport, we did have a \$30-million commitment to assist with Union Station and the Bathurst corridor. Within two weeks of Mr. Pèpin becoming Minister of Transport, I received a telex saying he was withdrawing Mr. Mazankowski's commitment.

Mr. Martel: Supplementary, Mr. Speaker, if I can get the minister's attention long enough: In view of the fact two of the runs mentioned are from Chapleau to Sudbury—the Budd car, the fight for which was led last time by my colleague the member for Nickel Belt (Mr. Laughren)—and the run from Capreol to Hornepayne, both being areas where people will not be serviced because in many of those areas there are no roads, is the province prepared to do a lot more to prevent this from occurring in the north than it was on the last trip around?

Hon. Mr. Snow: Mr. Speaker, I am not aware of the Chapleau to Sudbury case. There is no mention in any information I have about that. The two lines in northern Ontario I have heard about are Capreol to Hornepayne and Winnipeg to Armstrong. There may be this additional one but I do not know.

From the rumours I hear I am not sure there will be an application for discontinuance that will create a CTC hearing. If there is, I assure him my ministry will be there representing the interests of the people of Ontario, as we have done at all other such hearings. On the other hand, one of the stories that has come out of Ottawa is that there will be a cabinet decree that these services will be discontinued and there will not be a CTC hearing. I hope that is not the case.

I do not know what the honourable member is referring to. There have been two discontinuances, I believe, that I have been involved with in northern Ontario. One is in the riding of the member for Rainy River (Mr. T. P. Reid). We vehemently fought that discontinuance because there was no doubt in our mind that was going to be a real hardship on the people of that part of Ontario because some of those communities had little or no other public access.

We did not strongly fight the discontinuance of the Budd car between Sudbury and Sault Ste.

Marie because, truthfully, there was no way I could support the continuance of it. It was the most uneconomical situation that ever existed. It was carrying about 14 passengers a day, I believe, and of those 14 a day, more than 50 per cent were railroad-pass carriers. The bus service can offer a better service, a faster service, between Sudbury and the Sault, and was quite capable of carrying those people. The operating of a diesel bus between Sudbury and the Sault gives at least double the seat-miles per gallon of fuel used by the Budd car, so under no circumstances could I support the continuance of that line.

We will look at each and every application and make our position known after we have fully researched the matter.

Mr. Speaker: Final supplementary, Mr. Taylor.

Mr. J. A. Reed: Point of order.

Mr. Speaker: Order. There was one main question, there was one supplementary from Mr. Reed, Halton-Burlington, there was a supplementary from Mr. Martel, and Mr. Taylor also has a supplementary which I did not recognize.

Mr. G. W. Taylor: Mr. Speaker, considering that there are recommendations for the future of rail in the province saying that Barrie and some of the other communities should have a commuter service, and considering that it has been rumoured that Barrie's line will be slashed—and the minister has had correspondence from me, the mayors of the town of Innisfil and the city of Barrie, and other constituents in the area, asking him to preserve that commuter service between Barrie and Toronto—will the minister request a hearing before they discontinue those services, rather than having a fiat come from the federal minister?

Hon. Mr. Snow: Certainly, Mr. Speaker, I would make every representation that I can to continue the Barrie service or at least to have a CTC hearing where the information can be put forward. I understand there are some 500 people per day—that may or may not be correct but that is the information that comes to mind—who use the Barrie service. That is not necessarily 500 people from Barrie but 500 people from various points along the line who do use that service.

In addition to that, as the member knows, we run a large number of buses per day, GO Transit

buses, to serve the Barrie corridor. We are most interested in seeing that corridor preserved and the rail service continue.

ROYAL BOTANICAL GARDENS APPOINTMENT

Mr. Kerrio: I have a question of the Minister of Culture and Recreation, if he would listen. I would also like the Minister of Natural Resources (Mr. Pope) to listen, and maybe the Minister of Agriculture and Food (Mr. Henderson) and the Minister of Education (Miss Stephenson).

Hon. Mr. Henderson: We always listen to you.

Mr. Speaker: Proceed with your question.

Mr. Kerrio: They will realize in a moment why.

The minister must be aware, or is he aware, of the fact that the Royal Botanical Gardens in Hamilton is going overseas to hire, or has already hired, a new director? The Minister of Natural Resources, who represents that great Niagara Parks Commission—of which I am very proud, since it is the resting place for all Tories who are out of a job or defeated—should have pressed to see that one of the graduates from the Niagara Parks Commission School of Horticulture was given the job, as they are accepted across Canada and in fact all over the world.

I wonder how the minister would respond to that question. Why does the commission have to go that route rather than hire someone who is fully capable and who is trained right at Niagara in the horticulture school?

2:50 p.m.

Hon. Mr. Baetz: Mr. Speaker, I am not sure whether in fact the final decision has been made in the hiring of a successor to that very outstanding director, Dr. Laking of the Royal Botanical Gardens.

I do know that while they were looking for a successor to Dr. Laking I expressed to their board of directors our very deep concern that every effort should be made to hire a well-qualified Canadian for the position and that preference should be given to a Canadian. Over the last few weeks I have been assured every effort has been made and is being made. The board has indicated to me a long list of scientific and horticultural journals in which it advertised the position and apparently no applications were made by people who had the proper qualifications.

I am not sure at this moment whether a final decision has been made. I will be glad to check

once again. Certainly the Royal Botanical Gardens board knows full well we have a preference for the employment of a Canadian. It actually delayed the appointment for some months because it wanted to make absolutely sure there was not a Canadian or an immigrant with landed immigrant status who could fill the bill. I will check and see what the latest status of that employment is.

Mr. Speaker: Order. I would ask those members who are carrying on private conversations to do so outside the House and not disturb the question period.

Mr. Kerrio: Is the minister aware of the correspondence from the alumni of the Niagara Parks Commission School of Horticulture and their concern that the Royal Botanical Gardens did not advertise in Canadian journals and was doing the bulk of its advertising overseas? Included with the alumni's request for consideration of Canadians was a long list of names that showed the expertise of graduates of the School of Horticulture and the willingness of other jurisdictions to hire them. The real argument of the alumni was that the board of the gardens did not advertise in Canadian journals to make the job available to one of the graduates from Niagara.

Hon. Mr. Baetz: We were given a list of the journals that had been used to advertise for this position. I do not have that list at hand but I would like to offer the list of advertisements that were made in Canadian journals. I will be glad to send it to the honourable member opposite; in fact I will be pleased to table the report right here.

USE OF STRIKEBREAKERS

Mr. Breaugh: Mr. Speaker, I have a question for the Minister of Labour concerning the violence on the picket line at the ITT Cannon Electric factory in Whitby. It seems to point out once again, as at Consumers Distributing, that there is a great deal of difficulty with the police officers who are working the picket line itself and the use of strikebreakers.

Is the Ministry of Labour considering some change in legislation—as was suggested in private members' bills previously and in the province of Quebec—that would, first, outlaw strikebreakers as a function, and second, move to clarify the role of police officers who are working a picket line?

Hon. Mr. Elgie: If I may reply to the second part of that question first, matters relating to

police activities on picket lines should be directed to the Attorney General (Mr. McMurtry). Peaceful and informational picketing is legal in this country and if the honourable member sees problems relating to that he should direct those questions to the Attorney General.

With regard to the first part of the question, we have discussed that on many occasions inside and outside this House. This government's view is that if there are professional strikebreakers involved in any activity in this province we are prepared to look at the matter. However, if the member is talking about an employer's efforts, with the use of replacement employees, to keep a business going, so that when it eventually starts up at full pace again it is there and able to survive, while at the same time those who are on strike are using whatever means they can to survive by means of strike pay, part-time work or whatever, no, the government does not see that as an area where it intends to intervene.

Mr. Breagh: Would the minister not agree, though, that the basic problem that brings about violence on a picket line is the use of strikebreakers? In this case, the strike at the Whitby plant, the allegations are very clear and they appear to be substantiated, because charges were laid that strikebreakers drove their cars through the picket lines at rather high rates of speed. Would the problem not be resolved clearly and neatly in the minister's jurisdiction by simply bringing into this House legislation that would forbid the use of strikebreakers?

Hon. Mr. Elgie: Mr. Speaker, I do not intend to get into the position of saying that because charges were laid the accusations are valid or invalid, nor do I think the member intends me to make that judgemental decision. I do not think he intends to, either.

The government's position has been made fairly clear: a strike or a lockout is a matter of a sincerely held difference in belief, each side trying to survive during that belief so that when the strike or lockout is over the business can go on as a viable enterprise.

There are some enterprises where it is possible not to carry on business for a long period of time. We all know of one up in the area of my friend the member for Sudbury East (Mr. Martel). That is not always the case. The member knows very well that in order to remain viable each party has to make its own effort to carry on during a strike or lockout. The government does not see any need to intervene at this time, nor does it see any validity in the suggestion that it should do so.

Ms. Copps: Supplementary, Mr. Speaker: If I understood the minister correctly he said he would be prepared to entertain the possibility of some action with respect to professional strikebreakers. Would the minister be prepared to table in this House his definition of a professional strikebreaker, and would he bring in some legislation to stop professional strike-breaking?

Hon. Mr. Elgie: Mr. Speaker, I have said on numerous occasions in the past that I have yet to see any evidence now or during my period in office of professional strikebreakers.

There have been occasions, as the honourable member knows, I am sure, where certain activities have been carried on and criminal charges have been laid for conspiracy to defeat the purposes of the Labour Relations Act. So there is already a tool that can be used where certain events may be taking place to interfere with organization, for example.

But I have no evidence. If the member has evidence of professional, hired strikebreakers, people hired for that purpose on a professional basis, I would like to have it. If that is happening I would like to know about it so the government can consider it.

SITE FOR VOLKSWAGEN PLANT

Mr. G. W. Taylor: Mr. Speaker, I have a question for the Minister of Industry and Tourism. I am given to understand that Volkswagen, after making a detailed analysis, has decided to locate a major parts manufacturing operation in the city of Barrie, where there already is an existing business and a work force capable of carrying out the functions. However, I am also given to understand that the federal Minister of Industry, Trade and Commerce has sent officials to Germany to intercede with Volkswagen in order to deny it the opportunity of coming to our community, which is acceptable to Volkswagen here and which provides an economic climate where it can survive.

What has the minister done, or what will he do, to intercede on behalf of the residents of Ontario to make sure the federal minister does not try to locate that plant in the Windsor area rather than the Barrie area, where the decision-makers have decided it should be?

Hon. Mr. Grossman: Mr. Speaker, we have met several times with the officials from Volkswagen and we are convinced that the site preferred by Volkswagen is the Barrie site. It has been up to Barrie, as the member knows. It

has inspected certain properties there, and I believe Volkswagen prefers the Barrie location for its new Canadian enterprise, which I think involves about 500 new jobs.

We are concerned at this time, because we understand the federal Ministry of Industry, Trade and Commerce is encouraging Volkswagen to look at other locations that Volkswagen itself believes are less economic. This kind of pressure is now bringing the entire investment in Canada into some question by Volkswagen. Volkswagen very much needs an early resolution of this matter, including its request for a duty remission agreement.

3 p.m.

It is our concern that if the federal government does not conclude a deal under the duty remission program with Volkswagen in the next week or two, and if it does not agree to allow it to locate in the location selected by Volkswagen, the entire investment may be lost to Canada and Volkswagen will select the United States—this after a lot of work between our ministry and Volkswagen and between the federal government and Volkswagen.

To this end I sent a communication to the federal minister a week ago, I believe, urging him to speed up a decision on the duty remission program and to allow Volkswagen to locate in its choice of sites, which, again I repeat, I believe is Barrie and perhaps Cambridge.

Mr. G. W. Taylor: Has the Minister of Industry and Tourism had any reply from that minister regarding his correspondence requesting an early decision on the duty remission?

Hon. Mr. Grossman: No, I have not. In fact I met with officials of Volkswagen last Tuesday, who came in to see me because they are very anxious about this decision and feel that if a decision is not forthcoming in the next week or so the entire investment will be endangered. I would say to the honourable member that he and any members of the House ought to join us in bringing pressure to bear on our federal counterparts to make a decision on duty remission and allow Volkswagen to make this much-needed investment in Ontario.

Mr. Newman: Supplementary, Mr. Speaker: I am sure the minister is aware that Volkswagen does have a facility in Sterling, Michigan, which is probably 25 miles away from the city of Windsor, and also that Windsor does have a surplus of very skilled manpower that is now collecting unemployment insurance, with some of them even collecting welfare.

Does the minister not think it would be proper to suggest to a company that it go to an area that has high unemployment and the skills that are necessary, rather than directing it to another area in Ontario?

Hon. Mr. Grossman: Mr. Speaker, I think it is quite appropriate for governments to ask companies that are seeking to invest in this province to look at areas that are badly in need of new investment, and Windsor is one of those areas. The federal government and this government have recognized the need of Windsor for this kind of investment. I know for a fact Volkswagen did that. I know for a fact it very carefully analysed its Windsor opportunities as well as some others.

I think it is quite another matter for governments almost to require firms to make either an uneconomic investment in this province or no investment whatsoever, and one never knows exactly when that point is reached.

Clearly, Volkswagen is most concerned because it is coming into Canada after about a year and a half of study and is coming into what the member well knows to be a very competitive market. The competition is severe. It is very much price sensitive. Volkswagen ultimately must be allowed to make its own decision based upon the economic determinations it has made.

I simply urge—whether this would militate in favour of Barrie or Cambridge or Windsor or another province—(a) that Volkswagen be permitted to make an economically viable and sensible decision, and (b) that the federal government reach a decision on the duty remission program before Volkswagen decides, because of time pressures, it has to go to another jurisdiction entirely, and that is very much what is on the table right now.

ONTARIO BOARD OF CENSORS

Mr. Smith: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations regarding the censorship board.

The minister last week said he would be abolishing the civil servant members' positions on the board. On closer examination it turns out that Mary Brown and her assistant, who are both civil servants, are not going to have their positions abolished, and that, further, another civil servant who was on the board at the time of the committee hearings regarding The Tin Drum and said nothing critical of the board has been put on contract and his contract is being renewed. The three people being dismissed are, by some bizarre coincidence, the very same

three people who were critical of the policies of the board at the time hearings were held here at the Legislature.

Would the minister agree that his whole new policy is largely a camouflage for punishing the three people who had the temerity to speak the truth in front of the legislative committee concerning the actions of the censor board? Will he do, at the very least, what he does with most other people whose jobs are eliminated by so-called changes in government policy, and find other jobs for these people within the civil service rather than simply setting them loose as he is now proposing to do?

Hon. Mr. Walker: Mr. Speaker, I might correct one or two matters. It is my understanding that Mrs. Brown, the chairman, and the vice-chairman of the board are both public servants and do not fall in the category of being civil servants per se.

Secondly, the person who is being continued, although at one time having been a civil servant, is no longer a civil servant, and is on a contract basis.

A third thing I would have to say is that there is no vendetta whatsoever. I have no vendetta interest in my mind. I think it is fair to say—

An hon. member: Retribution.

Mr. Smith: Same difference.

Hon. Mr. Walker: Well, certainly, the one who made the decision was myself, and I did not have any form of vendetta in mind.

The principle that I was trying to set up here was to not have a person sit in this particular job five days a week, seven hours a day, 50-odd weeks a year.

Mr. Smith: Except Mary Brown.

Hon. Mr. Walker: No, because she does not sit on the actual hearings as a regular person, as would a member of the theatres branch.

Ultimately, I want to see a board so large that people can be brought in, be it from Toronto or other parts of Ontario, for a couple of days a month to sit in terms of their function as censors and classifiers. Then at some point in time, after they have had their two days a month, or two days every couple of months, they could return to the community, and reaffirm their community principles and then come back a couple of months later and sit as a board.

There is certainly no relationship at all to an attempt to move anyone out. Indeed, the whole concept is well supported. The honourable member's very newspaper, the *Hamilton Spectator*, advocated at the time that it is the wrong place for civil servants to actually serve.

Indeed, there were some views expressed by the former member for St. George, who advocated a much broader board, much greater at this stage, as did members of the New Democratic Party at the time.

I think there is general support for a much broader board, and that is what we are trying to achieve.

Mr. Smith: Mr. Speaker, by way of supplementary: Given that the former Minister of Consumer and Commercial Relations (Mr. Drea) had stated at the time that those very members who were there as civil servants did represent a broad cross-section of the community, and given that the minister found it possible to put one civil servant on contract, the one who did not object to the way things were going on, why does he not take steps to correct the obvious impression which any rational person would take, which is that he is punishing the three who spoke out, when Mary Brown and her assistant are still there in their dandy little jobs?

Why does he not at the very least offer these people the right of going on contract? Why does he not at the very least offer them jobs as part-time individuals on the board, as other members of the board will be? Why does he not find other positions for these people in the civil service the way he does for many of his friends whom he has to move from one situation to another?

Why does he not take steps to make sure he deals fairly with these people and not give the impression, which frankly I take from his actions, that he is attempting to muzzle them because they spoke the truth, just as the Minister of Agriculture and Food (Mr. Henderson) attempted to do with people in his ministry?

Hon. Mr. Walker: There is not one scintilla of truth in the comments the honourable member is attempting to allege to me. I would have to say these three specific jobs have been declared redundant, and they will fall into the normal terms of those who serve in the Ontario public service and there will be a process—indeed, I would not be averse to them—

Mr. Smith: Sure there will, and Santa Claus will come down the chimney too.

Hon. Mr. Walker: I think if the member would just hold it a moment and listen to the answer and then offer his comments he will feel much more—

Mr. Smith: I don't believe you.

Hon. Mr. Walker: Mr. Speaker, if that is the attitude the Leader of the Opposition indignantly wishes to take—and, in fact, I think he is without any dignity of his own—and if he chooses to make those kind of comments, I do not really choose to offer comments in return to him.

3:10 p.m.

SECOND HOME FOR MEMBERS

Mr. Riddell: Mr. Speaker, I rise on a point of privilege. I firmly believe it is a legitimate point of privilege. I have always considered it was my privilege to represent the people of Ontario in this Legislature in an attempt to provide good government at the least possible expenditure of public money. I figure my privileges have been abused. If I am to continue this mission as a member of a government which is prepared to sanction the expenditure of public money for members who wish to buy a second home in this city, I am deeply disturbed.

Mr. Speaker: That is not a point of privilege, but thank you.

Interjections.

Mr. Riddell: It will happen over my dead body, I will tell you that. Anybody who thinks he is going to buy a second home at public expense had better think otherwise.

Mr. Di Santo: I am not involved in that argument, although I would plead the case for the member for Kitchener-Wilmot (Mr. Sweeney).

PETITION

DRIVER EXAMINATION CENTRE

Mr. Di Santo: Mr. Speaker, I have a petition for the Minister of Transportation and Communications (Mr. Snow), hoping that he also does me the courtesy of answering my letter. This petition is from residents complaining to the minister, and reads as follows: "We the undersigned are opposed to the new hours and Saturday opening of the driver examination centre at 262 Falstaff Avenue. We hereby request that the hours and days remain as prior to June 1, 1981."

ANSWERS TO WRITTEN QUESTIONS

Mr. T. P. Reid: Mr. Speaker, before the orders of the day, I have a point of order. This is about the fifth time I have risen to ask the House leader about the questions on the Order Paper, specifically my question about public opinion polls, question 92. He said on repeated occa-

sions he would answer it around the middle of June. That question has been on since May and it makes a complete hypocrisy of all his comments about a freedom of information bill. When am I going to get an answer and when are the other questions going to be answered?

Hon. Mr. Wells: I will be happy to look into that, Mr. Speaker.

Mr. Breagh: Mr. Speaker, I too, as do many other members, have a written question on the Order Paper and it says here an answer will be given approximately by June 15. My question concerns the Solicitor General tabling the total costs of the OPP investigation into the activities of CUPE members and others, namely me, during the recent hospital strike. During the estimates, the minister assured me he would provide those costs. This written question has been on the Order Paper since May 8. The indication has been given clearly that an answer would be provided by June 15. When may we expect an answer?

Hon. Mr. Wells: Mr. Speaker, we tabled the interim answer around June 15, when we all believed there was some hope of us adjourning around June 19. That hope vanished a while ago and it now appears the House will be sitting here for a while. Our endeavour is to get all the answers in before the House adjourns.

The answer to the member's question will be ready tomorrow and we will have it to table for him tomorrow. There seems to be some feeling that this House is going to adjourn at any moment for the summer recess. Unless there has been some change of heart on the list of legislation here, that does not seem possible. So we will have the answers ready for the member.

MOTIONS

SELECT COMMITTEE ON PENSIONS

Hon. Mr. Wells moved, seconded by Mr. Norton, resolution 7:

That a select committee on this House be appointed to inquire into and review the recommendations of the report of the Royal Commission on the Status of Pensions in Ontario and make recommendations as appropriate; and that the committee have power to retain such staff as it deems necessary, subject to the budgetary approval of the Board of Internal Economy; and that the committee have the power to send for persons, papers and things and to examine witnesses under oath; and the assembly doth command and compel attendance before the said committee of such per-

sons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which the Honourable the Speaker may issue his warrant; and that the committee be composed of 12 members, to be named on motion before the House adjourns for the summer.

Motion agreed to.

SELECT COMMITTEE ON THE OMBUDSMAN

Hon. Mr. Wells moved, seconded by Mr. Norton, resolution 8:

That a select committee on the Ombudsman be appointed to review and consider from time to time the reports of the Ombudsman as they become available and as the committee deems necessary, pursuant to section 16(1) of the Ombudsman Act, 1975; to formulate from time to time general rules for the guidance of the Ombudsman in the exercise of his functions under the Ombudsman Act; to report thereon to the Legislature and to make such recommendations as the committee deems appropriate.

Further, the committee may, with the agreement of the Legislature, be permitted to sit concurrently with the Legislature from time to time; and that the select committee have authority to sit during recesses and the interval between sessions and have full power to employ such staff as it deems necessary and to hold meetings and hearings in such places as the committee may deem advisable, subject to budget approval from the Board of Internal Economy, and to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel the attendance before the said committee of such persons and the production of such papers and such things as the committee may deem necessary for any of its proceedings and deliberations for which the Honourable the Speaker may issue his warrant; the said select committee to consist of 12 members, to be named on motion before the House adjourns for the summer.

Motion agreed to.

SELECT COMMITTEE ON COMPANY LAW

Hon. Mr. Wells moved, seconded by Mr. Norton, resolution 9:

That a select committee of the Legislature be appointed to continue the inquiry and review of the law affecting the corporations in this province as reported on by the select committee of

this House appointed on June 22, 1965, and reappointed on July 8, 1966, on July 23, 1968, on December 17, 1971, on May 25, 1976, and July 12, 1977; and to, in particular, inquire into and review the law relating to the business of insurance companies in the province including, but not restricted to:

(a) the incorporation, licensing, regulation and supervision of insurers as joint stock companies, mutual corporations, fraternal societies, mutual benefit societies, exchanges, syndicates of underwriters and rating bureaus carrying on all classes of insurance business in this province, mergers, amalgamations and reinsurance of liabilities, reporting to shareholders, policyholders and members, their solvency, liquidity and financial requirements, the purposes, scope and functions of their returns, reports, statistical gathering, and the basis for their rates and premiums;

(b) automobile insurance contracts and, in particular, the provision of accident benefits, fire insurance, life insurance, accident and sickness and marine insurance contracts and generally insurance contracts in this province;

(c) the licensing, regulation and supervision of insurance agents, brokers and adjusters; and

(d) the marketing of insurance in this province;

and that the select committee have authority to sit during recesses and the interval between sessions and have full power and authority to employ counsel and such other personnel as may be deemed advisable and to hold meetings and hearings in such places as the committee may deem advisable and to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which the Honourable the Speaker may issue his warrant; the said select committee to consist of 12 members, to be named on motion before the House adjourns for the summer.

Motion agreed to.

Mr. Sweeney: That thing has been going on for 16 years.

Interjections.

Hon. Mr. Wells: I think there is an element of truth in that statement. Then one of the member's colleagues says, "It is going very well."

Mr. Speaker, I would just like to inform the House that I will have motions tomorrow setting up the membership on those committees and also authorizing certain standing committees to sit during the recess.

ORDERS OF THE DAY

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

Hon. Mr. Bennett moved third reading of Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing.

Mr. Speaker: All those in favour of the motion will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

CONSOLIDATED HEARINGS ACT

Hon. Mr. Norton moved third reading of Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Mr. Swart: Mr. Speaker, I would like to make a few comments on third reading of this bill. This party—

Hon. Mr. Norton: We have heard it all before.

Mr. Swart: Mr. Speaker, on second reading this party voted, with some reservations, in favour of Bill 89. Since then we have had the opportunity in committee and in this House to move certain amendments and hear certain representations relating to this bill.

We are convinced—a matter about which we were somewhat unaware at second reading—that there had been no consultation with many of the parties concerned, such as the Canadian Environmental Law Association, the Coalition on the Niagara Escarpment and other organizations, which are constantly dealing with these matters. They were permitted only token input at the committee rather than a full hearing. All of us know they were very restricted both in time to prepare and in the time for making submissions.

The minister would not accept an amendment from us that there should be directions to the board that its decision must satisfy each of the acts as if they were being dealt with separately. He would not agree to the removal of the Niagara Escarpment Planning and Development Act from the schedule—a very separate and distinct piece of legislation. He refused to go along with the principle of providing funding for citizens' organizations, and he would not

even guarantee through amendments we submitted that there would be public hearings under the Consolidated Hearings Act to the same degree as if separate hearings were to be held.

In view of all these facts, and our inability to make changes that are clearly desirable, we are going to vote against this bill on third reading.

3:20 p.m.

Hon. Mr. Norton: I will be very brief, Mr. Speaker. Throughout the debate the honourable member has continued to misunderstand some of the principles that are embodied in the bill, particularly as it applies to the matter of standards under the various acts that have to be met under the consolidated hearings process. It has been explained to him time and time again that the standard of each individual act does apply in this. He is either incapable of believing or refuses to believe that is the case. I suggest he seek some legal advice on the matter and he will probably find we are correct.

With respect to the restriction on the time available for public hearings on this matter, he and his caucus, and certainly the members opposite, have to bear some of the responsibility. I am sure we would have had more time for that procedure had the time during the course of this session of the Legislature been more effectively used by members of the opposition in order to expedite the business of this House.

Interjections.

Mr. Speaker: Order.

Mr. Kerrio: Can't we speak to the bill?

Mr. Speaker: No.

Mr. Kerrio: Why not?

Mr. Speaker: Because the minister has closed the debate.

Mr. Kerrio: He made some comments that were grossly unfair.

Mr. Speaker: All those in favour of the motion will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

ONTARIO WASTE MANAGEMENT CORPORATION ACT

Hon. Mr. Norton moved third reading of Bill 90, An Act to establish the Ontario Waste Management Corporation.

Mr. Speaker: All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

EMPLOYMENT STANDARDS AMENDMENT ACT

Hon. Mr. Elgie moved third reading of Bill 95, An Act to amend the Employment Standards Act, 1974.

Mr. Speaker: All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

WORKMEN'S COMPENSATION AMENDMENT ACT

Hon Mr. Elgie moved third reading of Bill 129, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

JUDICATURE AMENDMENT ACT

Mr. G. W. Taylor, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 105, An Act to amend the Judicature Act.

Mr. G. W. Taylor: Mr. Speaker, this bill has two purposes: one is to add a judge to the Court of Appeal to increase the number of judges to 14, which is primarily done to assist the heavy work load that is primarily now in the Court of Appeal and thus reduce the number of cases that are backlogged; two is to allow future increases in the High Court of Justice in Ontario, generally known as the Supreme Court of Ontario, to allow those appointments to increase the size of that bench by regulation in future rather than bringing to this Legislature a piece of legislation each time a new judge is added to that bench. Both of these will speed up any increase in the size of the benches, allowing the backlogs from the added work load that has been increasing over the years to be reduced and cleared up.

Mr. Breithaupt: Mr. Speaker, with respect to the two points the parliamentary assistant has made, I agree with the first one in that the addition of a judge to the Court of Appeal is clearly needed because of the work load of that court.

The second point, though—the removal of the formal approval by this Legislature each time we increase the number of judges in the High Court—I personally find rather unfortunate.

From the information provided in the compendium to the bill, we note the total number for the High Court, including the Chief Justice and the Associate Chief Justice of that trial division, has increased from 23 members in 1962 to 42 members in 1977. Now we are going to be asked to have this matter dealt with simply by regulation.

Over those years, there have been six other occasions upon which we have increased the court, usually by two, sometimes by three or four members on each occasion. I think it is a good idea, when we are increasing the number of our Supreme Court judges, that this Legislature make that decision openly and by the usual rules of the House, subject to debate.

In the compendium page that appeared, it made this comment: "Permitting the number of judges of the High Court to be fixed by regulation would eliminate the need for frequent legislative amendments."

Seven or eight changes over 20 years is hardly frequent legislative amendments. I think it is wrong that we do this by regulation and I have a feeling the lawyers in the House would probably agree with me. We should have this legislation brought before us for the few moments it takes every few years so that we are clearly in control as a Legislature over the appointment of judges to the High Court.

I do not quarrel with the first point, the addition of the judge to the Court of Appeal and, frankly, I do not in any way quarrel with the addition of other trial judges if the work load is there. Obviously, that is something this Legislature must clearly attend to as part of its obligation. While the salaries of the judges may be paid by our federal Parliament, the provision of judges and all the necessary reporters and attendants in courtrooms and whatever, is part of the administration of justice that is clearly the obligation of the province.

I find the second matter of having these future appointments made by regulation a most unfortunate one. It is an abrogation of the responsibilities of the Legislature and I very much regret that section of the bill is before us in that way.

Mr. Swart: Mr. Speaker, the member for Riverdale (Mr. Renwick), who is unable to be here this afternoon, and myself have both had

the opportunity to look at this. He is obviously more familiar with the operation of the court system and the justice system than I am, but he informs me he supports both sections of this bill and I do myself.

It is obvious there is support for the first section. He says the second section makes sense as well. That is a matter of administration that should rest with the government of this province, whatever its stripe may be, to determine. We in this House would perhaps like to have more authority over who those judges should be so that they are not, as so often is the case, political appointments. As to the numbers, my colleague and I both feel it is not unreasonable to have that authority resting with the government. Therefore, we are prepared to support this bill in total.

3:30 p.m.

Mr. Conway: Mr. Speaker, I had not had the opportunity prior to this afternoon to look at Bill 105 and I just want to take a brief moment to associate myself with the remarks of my colleague the member for Kitchener. I find it yet another indication of a very bad and wrong direction for this assembly to be taking.

In the matter of the appointment of these judges we would be abdicating our responsibility, infrequently as that appears to have been exercised in recent years on the basis of the survey of the member for Kitchener. I think it is an extremely bad idea to allow this to occur now by regulation, allowing just that much more of our traditional responsibilities in this assembly to be vested in the executive branch of government.

I think this bill is at one with Bill 113 which is being debated these days in this chamber, in that we are seeing a significant accretion of authority formerly held by the Legislature in the executive branch of government. I listened intently to the parliamentary secretary and I did not hear what I felt was at all a compelling case for why this should be done by regulation.

I do not know if the member for Kitchener is accurate in saying we have had six legislative actions in the last 20 years. I doubt very much if they were extended debates. I do not know why or how they could be. It seems to me experience would in no way necessitate this change to provide for further appointments by regulation.

As a private member in this assembly I think it is another indication of a wrong step. I have not heard the arguments as to why we should do it, other than it might facilitate someone else's timetable. I think it is a continuing and bad direction for this Legislature to be taking.

Mr. G. W. Taylor: Mr. Speaker, I have heard the words of the members opposite. To the comments of the member for Welland-Thorold (Mr. Swart)—

Mr. Breaugh: That note you just got is your marching papers, eh, George? They let you stand up once in a while but they don't turn you loose. What are you supposed to say?

Mr. G. W. Taylor: —I am pleased he put those forward on behalf of the member for Riverdale (Mr. Renwick), whom I have spoken to and who does accede to these recommendations. I know there are two different philosophies as to whether this should be done by way of regulation or whether it should be done by way of legislation in here.

I might have made one incorrect statement earlier. The Court of Appeal will be going to 16 judges, not 15. There were increases in 1962, 1965, 1967, twice in 1970, twice in 1976, and 1977. We have had regular increases in the numbers; but I remind the members the Attorney General only creates the office, the appointments are made by the federal government.

The Attorney General, being responsible for the administration of justice in Ontario, has to make sure the requirements of that heavy case load can be met quickly—sometimes more quickly than the buildup of the cases takes place. Although it says "frequent legislative amendments," that is a qualitative one as to the definition of frequent legislative amendments as stated in the compendium the member for Kitchener read from.

I think that, because of the increase in the case load of this court—indeed, a second bill that will be coming up later on today will try to increase the size of another court so as to possibly decrease the work load in this court—there are more and more litigious matters coming before the courts and, rather than trying to bring in legislation on our crowded legislative calendar, this is an easy way to relieve those loads.

Members have the very frequent opportunity in the estimates of the Ministry of the Attorney General to discuss the number of judges, their work load, the court cases and calendars. So there is another opportunity to discuss this very same subject as to the work load. Overall, the appointment by way of regulation, the opening up of those positions is a very expeditious way of carrying out that function.

Motion agreed to.

Ordered for third reading.

COUNTY COURTS AMENDMENT ACT

Mr. G. W. Taylor, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 106, an Act to amend the County Courts Act.

Mr. G. W. Taylor: Mr. Speaker, this amendment to the County Courts Act is increasing the jurisdiction of the county court. The monetary jurisdiction of the court is being increased to \$7,500, and in partnership actions a limit of \$50,000 is being placed on the capital of the partnership in that type of action. In actions based on the legacy under a will, a limit of \$7,500 is placed on the value of a legacy and a limit of \$50,000 is placed on the total value of the estate.

These increases in the monetary jurisdiction of the county court are to take care of increases in inflation, to recognize the economic significance of actions and to allow them to be in a lower court rather than a higher court where sometimes the lawyers, as we know, charge more than the average fees they charge in the lower courts. It will assist many citizens in obtaining legal services at a lower cost, and in a court closer to their jurisdiction and a court that sits more frequently during the year, rather than waiting for the Supreme Court assizes.

Increasing the monetary jurisdiction of the county and district courts will permit more cases to be disposed of by county courts and will allow for faster service of the litigants.

Mr. Breithaupt: Mr. Speaker, we are certainly in favour of the amendments that have been brought forward to the County Courts Act. It is necessary as an unfortunate result of inflation, I suppose, and other matters to increase these jurisdictions because of the areas that are under litigation within the county court system and because of the value of partnership shares and those of estates. As a result, we have seen the jurisdictions now effectively double since 1970.

This is something that must be done, as the parliamentary assistant has said, not only to have quicker justice but with the hope that we might have some cheaper justice as well, since the county court tariffs for dealing with matters are somewhat less than those for Supreme Court actions.

We are in favour of these amendments, and we will vote for the bill.

Mr. Swart: Mr. Speaker, I rise to say that once again the member for Riverdale (Mr. Renwick) and I find ourselves in total agreement on this

bill, as is proposed before the House. As has been stated, it is really not a change in policy; it is a recognition of the effects of inflation.

3:40 p.m.

When we have a government that is doing so little about resolving inflation, the only alternative is to recognize it in something like this and permit the policy that has been in operation before to continue. We support this bill.

Mr. G. W. Taylor: Mr. Speaker, I think the other members and I have summed up the bill adequately.

Motion agreed to.

Ordered for third reading.

MUNICIPAL INTEREST AND DISCOUNT RATES ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 121, An Act to provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities.

Mr. Rotenberg: Mr. Speaker, the proposed legislation offers municipalities and local boards an alternative means of determining interest charges on overdue tax levies and of determining discounts on payments received in advance.

Currently, municipalities may charge up to 1.25 per cent per month, or 15 per cent per annum, on outstanding taxes. The rate is far below the present Bank of Canada rate of 19 per cent plus and even further below current market rates. The wider the gap between the penalty charge and market rates, the more attractive it becomes for a delinquent taxpayer to absorb the 15 per cent penalty and use would-be tax dollars for other obligations.

This matter is of urgent concern to municipalities that must pay high rates for short-term loans to cover temporary revenue shortfalls caused by arrears. As a result, a growing number of municipalities are petitioning this government to bring the penalty rate more in line with prevailing market rates.

The new formula proposed in this bill will bring all penalty charges for municipally related levies under one all-encompassing provision. The formula directly links the maximum rate chargeable to the prime rate of a designated chartered bank plus 1.5 per cent. It will be available to all local government authorities, including school boards, area municipalities and upper tiers, as a method for calculating interest on overdue payment of taxes or debt installments or for setting discounts on advance payments.

The proposed legislation offers an alternative to current fixed-rate legislation. It is consistent in its application to the local government section of Ontario and satisfies the major concerns of local government as expressed to the province.

Mr. Conway: All the phone calls.

Mr. Rotenberg: This bill has been reviewed in detail by a committee of the Association of Municipal Clerks and Treasurers of Ontario, which approved the bill in its form and content in all details. I ask for approval of this bill on second reading.

Mr. Nixon: Mr. Speaker, we intend to support the bill and have been in support of its concept since its introduction on June 17.

I think the interjection from at least one of my colleagues was well-founded in that we have received a number of calls from mayors and reeves. I have not received any personally, since they would know better in my area, but we have received a number indicating they have been informed by ministry officials that the Liberal Party has been holding up this piece of legislation.

Frankly, I do not think it is such a marvellous piece of legislation anyway but, since a number of people do think it is so marvellous, I believe it has been unfair and improper for anyone in the ministry, whether the minister, his assistants or his other employees, to indicate to anyone in the province that members of the Liberal Party or anybody else were holding up the legislation.

Mr. Speaker, you may recall I brought this matter to your attention on a point of order. By the rules of our House, misrepresenting the position of members in public is equivalent to slander. It is a very serious matter indeed and one that undoubtedly infringed on the privileges of the members here. The usual response of you and your colleague Mr. Speaker Turner to points of privilege, that they are not points of privilege, I thought was incorrect at that time.

We are debating this bill, however, and the minister's assistant has indicated that it would be bringing all these charges under one easily understood rule associated with the prime rate; yet in the explanatory notes it indicates the municipalities have a choice of either using the existing legislation or else going with the new procedure based on the prime rate in accordance with this bill.

It is possible I may misunderstand it. I personally do not think it is that important. I suppose there are people who are not paying

their taxes because the rate for overdue taxes is somewhat less than the prime rate. It is hard to imagine there are all these close shavers in the business community doing this to the detriment of the municipalities, but we are in the business of passing laws to cover all these ridiculous eventualities and Bill 121 falls in that area.

We have not obstructed the bill in any way. My colleagues are supporting it, some more enthusiastically than I am. I feel that, by leaving all those alternatives there, we are getting something more to confuse both the taxpayers and those people who have the power to extract tax payments. However, I do resent any indication from anybody in the government or anywhere else that members of this House have either been interfering with the passage of the bill or have opposed it, because the contrary is true.

Mr. Swart: Mr. Speaker, I rise to say our party is supportive of this legislation as well. I have some reservations about the method by which it is done, and I certainly have some reservations about the length of time it has taken to get this bill before us.

I can recall municipalities for many years asking for this kind of bill, for changes in legislation in regard to the interest they may charge and the discount they may give, although the interest they charge is their main concern because they work to a very large extent on borrowed money.

I can recall their asking for this kind of legislation for many years, and it seems rather strange that it has taken this length of time to bring it before us. They have tried to blame the Liberals for holding it up. Although I suppose they are guilty in this respect on many things, to the best of my knowledge on this one they are not guilty. It is bad taste on the part of the government to endeavour to attribute that to them.

Perhaps when the parliamentary assistant gets up to answer this, he may want to comment on why they have not brought in amendments to these various other acts so we will not have two systems in force. It makes a lot of sense to have 1.5 per cent above the prime rate. It means they are going to be charging about the going rate of interest to any good creditor. I think that is perfectly reasonable.

But the municipalities still may be able to use these other acts. I point out to the parliamentary assistant that if the interest rate goes down substantially—certainly all of us in this House hope that will be the case; some of us in this

corner of the House, if we were the government, would ensure that was the case—and before too long there may be an interest rate below 15 per cent, then when they have passed that under their other permissive legislation, that 15 per cent could remain even though the interest rate would have gone down to 12 per cent or even to 10 per cent.

For practical purposes, apart from the fact of making it much tidier, I wonder why the parliamentary assistant, or more appropriately the minister, has not brought in legislation to delete those other sections and make this the only section that is used. There is no doubt, although we have very able clerks and treasurers throughout this province, that some of them in the smaller municipalities perhaps will get a bit confused, having two acts to look at and not really knowing which one may apply in this case.

3:50 p.m.

The legislation, I suggest, is reasonable in the sense that they have to take a look at it each year and review it in light of the interest rates, which they do not have to do under the Municipal Act or under the other acts that permit the level of interest to be set.

We support this bill, but we think there are additions that should have been brought in at the same time to make the whole thing a bit simpler and a bit more realistic in the application of interest rates by municipalities.

Mr. Haggerty: Mr. Speaker, I want to address Bill 121, An Act to provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities.

My colleague the member for Welland-Thorold will recall the days before regional government in the Niagara Peninsula when many municipalities had what they called a discount rate. If a home owner paid his taxes on January 1, he received a discount rate. But today, to my knowledge, that does not take place in any municipality within the region.

At one time, the municipalities in the area of Fort Erie used to give a discount rate. If a person paid his taxes before January 30, he received about a two per cent discount. They used to get a discount in the county of Welland. It worked very well. I remember one municipality, the municipality of Chippawa, received substantial rebates because the residents paid their taxes in January. One or two industries there used to pay and they received a good break on their taxes.

That used to be an encouragement to munic-

ipalities to collect their taxes early. Then we went into regional government. One of the strong reservations I have about this bill is that many of the taxpayers do not get their bills until some time in September; so it is nine months before they know the mill rate that is going to be struck by the region or by a municipality.

At one time there was a rule that the mill rate had to be struck by March 30 or April 15. Every municipality used to meet that deadline. Now, of course, schools cannot come forward with their educational costs, because they do not know the amount of the provincial grant.

I suggest that we may be getting delinquent taxpayers. There are many people with 19.5 per cent interest rates who are finding it difficult to pay not only their taxes but also other personal debts such as buying a home. It seems that everybody wants to jump on the bandwagon instead of showing some courtesy or giving some thought and consideration to the fact that these are difficult times even without another rate increase in the interest rates on municipal taxes for those delinquent taxpayers.

There are some who do take advantage, but there are not many in the system who take advantage because they can work that one or three or two per cent interest for their personal gain. I suggest we should consider that these are normally the persons who do it every year.

There are some bylaws a municipality can use to step on the toes of the ones who want to abuse the system, but I think this is going to cause a great hardship to a number of persons who are finding it difficult, particularly if they are in a depressed area and unemployment is high. It is going to keep those people going to meet their municipal taxes, the way they have been increasing over the years, without jumping on the bandwagon and saying 19.5 per cent this year.

There is no guarantee the interest rate is going to be reduced. We know the interest rates have been manufactured on the American side. Because they are far too high, we should not follow the principle of jumping on the bandwagon and saying our interest rates should be at par with those in the United States. I suggest we do not have to do this. I think we have to have affordable interest rates.

I have some rather strong reservations here. I think the municipality has the right to go ahead and put the property up for sale for tax arrears. I am sure it can get a return on its money that way.

Nineteen and a half per cent has gone beyond all reason as an approach to resolving a prob-

lem. An interest rate like that is going to put many property owners in a deplorable state. They will not be able to pay that, and within two or three years they are going to lose their homes this way, as it is with the high interest rates on purchasing a new home. I do not think we have to move with such a drastic step towards 19.5 per cent. If they had wanted to, they could have moved it to 16 per cent from 15 per cent.

As it is now, much of the fault lies with the present tax structure in many municipalities. They do not qualify under the formula to get the grants to municipalities. They do not get the educational grants at the time they are striking their mill rates and sending out their tax bills. Municipalities have to wait nine months to send out the final notice; in some of them now it is not sent out until December. Almost every second month we get a notice from the local tax collector in the area that another instalment is due.

We have lost our ability to look at the concerns of the majority of local taxpayers. If the rate is 1.5 per cent a month, it can be damaging to those persons who have to meet that obligation. At one time the taxpayer did not pay any interest until the final instalment was due December 31. Now they are collecting every month and it is really stretching it.

Perhaps the minister will consider my comments that we do not have to jump on the bandwagon every time the interest rates jump up.

Mr. Rotenberg: Mr. Speaker, I will try to respond to some of the points made.

Referring to whatever telephone calls were made, I think the Minister of Housing (Mr. Bennett) answered that the other day when it was brought up in the House.

Right now, there is a difference of at least five or six or seven points between what businesses will pay to their bank and the 15 per cent municipalities can charge for taxes. There is a large gap. Municipalities have been really crying to us to do something because a lot of people were not paying their taxes. They said they were being used as bankers at a much lower rate. It is for the benefit of the municipalities that we are bringing this forward.

In response to the member for Erie, there is really no way a municipality can charge a different rate of interest to different taxpayers based on their record. It has to be the same rate for everyone.

To those who have some reservations about this, this is permissive legislation. We are saying

to municipalities: "You are elected governors of your municipality. You can charge whatever rate you wish. You can stay at 15. You can stay below 15." These are simply the maximums the municipalities can charge, and within that range the municipalities have their own discretion. They have local autonomy, and it is up to them to do as they choose. A lot of members have asked for local autonomy for municipalities.

The member for Welland-Thorold raised a valid point: why did we not change all the acts. It is because we would have had to change the Municipal Act, all the regional acts, the County of Oxford Act and certain education acts. It would have meant having a number of bills before the Legislature rather than just one. In the time frame we have this session, with all the time we have taken on certain other bills, there did not seem to be enough time for that.

More important, the municipal affairs section of the ministry is looking at a trend where a particular topic such as discount rates or interest rates should all be in one location rather than scattered throughout many bills. However, there is nothing firm on this yet. I hope over the course of time and a review of all the bills we will be able to have the same topic once instead of in a number of bills.

We will not get down to 15 per cent for quite a period of time. As we consider these bills in a more comprehensive review, we could consider repealing those sections in the other acts. For the present, to fulfil the urgent request of municipalities this seemed the easiest and simplest way to get it done during this session of the Legislature before the summer recess.

4 p.m.

Just one more point: The member for Erie was asking about discounts. Discounts are still permissive to councils. In the light of the present climate, they may not choose to do it; but again that is their choice, it has nothing to do with government legislation.

Having said all that, I do thank the opposition. I understand they have certain reservations, but I thank them for their indicated support of the bill.

Motion agreed to.

Ordered for third reading.

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Miss Stephenson moved second reading

of Bill 124, An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

Hon. Miss Stephenson: Mr. Speaker, I will very briefly remind the members of the Legislature that the bill was introduced on June 18 at the request of the Education Relations Commission in its role as a responsible group developed to supervise the labour-management relationships and negotiations between teachers and boards.

Since in my almost three years as Minister of Education I have not had the opportunity, thank God, of introducing legislation to end a dispute between teachers and boards of education, I did peruse the debates of the Legislature relating to those unfortunate seven circumstances that arose shortly after Bill 100 was promulgated.

I found, to my interest, that at one point, I think it was in March or April of 1976, in the penultimate piece of legislation that was introduced, the then Minister of Education made a statement that I think characterizes the government's response to initiatives or pressures in the area of teacher-board negotiations that become prolonged disputes, and that is that we would deal with each one on the basis of its own merit, its own characteristics and its own uniqueness.

That is precisely what has happened. No such dispute has been terminated by legislation since 1976. All the disputes have been settled through negotiation, and it is certainly the hope and intent of both the Education Relations Commission and the minister that this one will be settled by negotiation as well before such action has to be taken as proclamation of the bill.

A very important portion of the introduction of this bill was the declaration that it would not be proclaimed until the Education Relations Commission had held what it perceived to be an appropriate examination of the potential jeopardy to the educational program for the young people, and had so notified the Minister of Education by advisement. At that time, and at that time only, would the bill be proclaimed.

It appears again to be a unique situation. It is a unique bill; it is not like another. It does include a method of settlement that has been used at least once before but is somewhat unusual in this kind of bargaining and this kind of settlement.

I hope the honourable members opposite, mindful of their concern for the educational program for the young people involved and

mindful of their concern for the future educational stability and security of those young people, will move to support this bill.

Mr. Sweeney: Mr. Speaker, I certainly accept the premise that the situation in Leeds and Grenville is unique—unique, certainly, since Bill 100 was introduced. It is indeed the first time that we could be faced—and I use the word “could”—with the possibility of a breakdown in teacher-board negotiations extending over two school years.

For that reason, we have to take a look at the possibility of unique measures. I accept that. I also accept the premise put forward by the minister that the bill continues to provide the opportunity—I would have to underline that word—for the two sides to continue to negotiate during the two summer months of July and August.

I would also go on record once again that my position as education critic for our party and the position of our party is that we do not believe that the strike route or lockout route is the best way for teachers and trustees to resolve their differences. We do not believe that it is in the best interests of children. We do, however, have a piece of legislation in this province that permits it. Whether we like it or not, it is there.

As the minister pointed out, we also have had a period of three years, I believe it is now, where no back-to-work legislation has been introduced into this Legislature.

Hon. Miss Stephenson: Four years.

Mr. Sweeney: Four years, the minister reminds me. That would seem to indicate that the government has taken the position that if we have right-to-strike legislation, then we are going to let it go on. We have seen recently just in the past year the very long strike in Bruce county and the longest strike in the history of the province in the city of Sudbury. It would appear that the government had taken a particular stance.

However, with all that out of the way, let me point out that in my judgement this is not a very good bill. It has a number of things in it that concern me greatly. First, I believe the initiation for the bill, as the minister pointed out to us when she introduced it for first reading and as she repeated today, which was a letter to the minister from the Education Relations Commission, is one that should give us cause to be concerned. Bill 100 clearly defines, at least in my judgement, the role of the Education Relations Commission with respect to giving advice

to the minister which is—I am reading section 61(1)(h)—“to advise the Lieutenant Governor in Council when in the opinion of the commission the continuance of a strike, lockout or closing of a school or schools will place in jeopardy the successful completion of courses of study for students.”

My interpretation of that is that when the commission has made a decision that the educational progress of students is in jeopardy, then it is the commission's responsibility to come to the minister through the Lieutenant Governor in Council and say, “We believe jeopardy now exists.” The government has the option—the minister is the spokesman for the government in this case—to agree with the commission and to take some action or to disagree with the commission and probably not take any action or simply choose to wait a little while longer. All these options are there.

But there is nothing in the legislation—if it is there, I cannot find it, and I would ask the minister to draw it to my attention if it is—that provides the commission with the option in the contents of this letter. The letter, which was written on June 11 when the students had been out of school for 25 school days, clearly says that in the judgement of the commission there is no jeopardy. It also goes on to imply, although it does not specifically say it, at the top of page two, that by the end of the school year, which would then mean 36 days that the students would have been out of school, there still would not be jeopardy at that time.

The commission justifies that position by saying, “Students affected by the strike will receive their final marks.” It goes on to say, “Universities and community colleges in Ontario will, apparently, accept such students under those conditions.” The commission is saying that, despite the fact the students will have been out of school for the equivalent of seven weeks of school, in its judgement there is not jeopardy and by the end of the seven weeks or 36 days there will not be jeopardy.

4:10 p.m.

In a few minutes I want to come back and speak briefly about the concept of jeopardy because I think at this point we have made an absolute farce of it. It has no credibility or meaning any more. Nevertheless, let us stick to the legalities.

The commission says, “While in our opinion there is an absence of compelling evidence that jeopardy exists,” which in my judgement is a very unusual statement that there is no jeopardy

now and there is not going to be any in roughly two more weeks after this letter was written, “therefore, in light of the above, the commission recommends that you consider the enactment of legislation before the adjournment of the Legislature to terminate the secondary school strike in Leeds and Grenville”—and this is truly the critical part—“and that the proclamation of legislation by the Lieutenant Governor in Council be deferred.”

First of all, I think the commission is acting improperly in advising the minister to take any legislative action when it clearly says there is no jeopardy. Quite frankly, I happen to disagree with its analysis, but that is not the point I am trying to make at this time. It says there is no jeopardy. The act says that unless there is jeopardy—

Hon. Miss Stephenson: No, it doesn't.

Mr. Sweeney: Let the minister comment on my remarks in a few minutes. My reading of the act is that then it does not have the responsibility to report to the minister. But for it to go one step further and say, “Introduce legislation but we are advising you to have the proclamation of that legislation deferred,” is in my mind a serious abuse of this Legislature.

I also suggest it is a serious abuse on the part of the commission. Put in the bluntest possible terms, I do not believe it has any business whatsoever to so advise, at least not in a way that the minister would use its written message as the reason for bringing in this legislation.

I make two points. First, I do not believe we are acting properly under Bill 100 as I understand it—and that is open to disagreement, of course. Second, I believe the commission is acting improperly with respect to the advice it is giving the minister. In taking that advice in that form, I think the minister is supporting and contributing to an abuse of this Legislature.

The minister knows I do not necessarily agree with the legislation but it is there. If we are going to be consistent with what it says and with what the minister herself just a few minutes ago indicated was her preferred line of action, then surely the proper way is to deal with this as we have done twice before in this Legislature, once with respect to a teacher-school board dispute and once with respect to the Toronto Transit Commission dispute. In the judgement of the government of the day this Legislature was recalled, a bill was introduced and in both cases the bill was passed. That is the proper way to deal with this issue.

After having missed school for 36 days, how

can we say there is no jeopardy but we need a bill of this nature at this time because some time in September at the first of the next school year there may be jeopardy? Nobody knows whether or not there is going to be jeopardy. Surely the commission does not say in the letter that there will be jeopardy but that there might be, and, therefore, the minister had better have this handy little tool on hand in case she has to use it.

This is where I have to repeat myself and say I think this is a clear-cut abuse of the Legislature. It is not the way this place is supposed to operate. We are not supposed to hand anybody a little club to hold over people's heads; that is not our job. Quite frankly, I would say to the minister, I don't believe it is her job either.

Coming back to the whole question of jeopardy, the other point I would make is that if there is one time in the entire school year where the least jeopardy could possibly exist, it is at the beginning of the school year. If there have to be strikes in this province and if we are not going to be able to do anything about that in the near future, surely the one possible time it would be best to have them would be at the beginning of the school year.

There is no doubt about it that for many people a strike at any time is an inconvenience. There is no doubt about it that a strike in September will be an inconvenience. But I will say, given my limited experience in the educational field, that the one time when one genuinely could not say that one had jeopardy would be in the month of September because one would have nine months of the year left in order to assist the students to make up for what they missed.

When one looks at a number of the strikes that have gone on in the province, most notably the one we had in Sudbury recently when the students missed the equivalent of 11 weeks of school—57 days I think it was—and there was no possibility under the sun of them catching up with what they missed.

I don't know whether the minister got the letter, as I did, or an equivalent letter, from a couple of the students in Sudbury when there was no attempt made whatsoever to try to help them towards the end of the year. A young man wrote to me and said he had just received his graduation certificate from his school. He said, "Mr. Sweeney, in my judgement, this certificate is not worth the paper it is printed on. It is a farce that I could have missed so much."

This boy was in a semester program and had missed something like about 70 per cent of his

semester time in terms of classroom time, but he was given a graduation certificate with no make-up work whatsoever. I do not blame that young man. He is a young man of 17 years of age who said that as far as he was concerned, that graduation certificate was not worth the paper it was printed on, yet we say there was no jeopardy.

The minister will probably remember when we had the Bruce strike in this province and I brought to her attention the number of students who appeared before the school board and said, "We are being used as pawns." Again, it was a 17-year-old boy who made that comment which received a fair bit of publicity across the province. For this and many other reasons, I have to say that in my judgement the whole question of jeopardy in this province has become a farce. It has no meaning any more. Even the students are now beginning to realize that the quality of their education comes second. We say we are genuinely concerned about the quality of their education and what it means when they get an education in this province, but that has become a farce.

I am concerned about a couple of sections of this bill because I don't understand why the minister has put them in. I would appreciate the minister explaining them to me. I would go on record right now as saying that if I cannot get a satisfactory explanation, I have already prepared amendments which will speak to these areas.

The first one is section 3 of the bill which speaks to referring all the matters to a selector. As members probably realize, referring matters in a dispute to a final offer selector is a quite legitimate way of dealing with a dispute. As a matter of fact, members of this party on a number of occasions have said that under certain conditions it is quite a legitimate procedure to use.

4:20 p.m.

I have to question it in this bill for two reasons. First, if we genuinely say we want to give them July and August to work this out themselves, I cannot understand why we do not give them the opportunity to choose whether they want an arbitrator or whether they want a final offer selector. Quite frankly, I think that should be left up to them. Second, I had an opportunity to meet with a number of the teachers from the Leeds area and they pointed out to me—I have a copy of their statement here—there are still 26 items in dispute. Then they go on to say that there are several other

clauses—I do not know how many—that have been tentatively agreed to, but have not yet been finalized or signed for. In addition to the 26 items on which there is no agreement at all, there are quite a number of others on which there has been at least verbal agreement.

I would only make the point—and I am sure the minister is well aware of it—that final offer selection works best when there are relatively few items left, maybe three, four or five. It probably will not be effective when there are 26 items left. Once again, I would appreciate the minister speaking to that and indicating why, specifically, she is requiring there be a selector rather than giving them a choice between an arbitrator and a selector.

The second point I would draw to the minister's attention is the requirement that this settlement be for three years. Section 4 of the bill refers to the settlement ending in August 1983. On one side, I can understand that partly. These two parties have now been negotiating since January 1980. That is 18 months. I am quite sure both they and their community have probably had it. There might be a possible defence in saying, "Let that community rest for a while. Let's not throw them right back into that same process again in January 1982." That is what would be required of them if this were a two-year settlement rather than a three-year one. I can understand that.

I would also draw to the minister's attention that no matter how carefully she resolves these things, there is always a sense of bitterness and a sense of having been taken advantage of, particularly if we end up staying with the selector. I am wondering—as a matter of fact, I feel very strongly about it—whether it is clearly wise under these circumstances not to give the two sides an opportunity to reopen their negotiations in January 1982. I would suggest to the minister there is a fairly healthy balance on both sides of that equation. I think we have to take a very serious look at that. I am prepared to introduce an amendment, if for no other reason than to get some good discussion on it, because I think that may not be a wise decision.

I indicated just a minute ago the long period of time these negotiations have been going on. The minister was kind enough to provide me with some supplementary material. I notice, as I just mentioned, that negotiations began in January 1980, 18 months ago. The minister is well aware of the fact. We have talked about it in her estimates committees on a number of occasions. I believe that one of the serious faults in Bill 100 is the lack of any enforced time limits.

I can remember very clearly when this bill was introduced in 1974—I was not in the House, but I was associated with the school board and, therefore, followed it very closely—it was the general perception of almost everybody that the various time lines outlined in Bill 100 were reasonable ones. If followed, there should be very few times when negotiations would break down. All the various stages—the teachers would make their presentation, the board would make its counterpresentation, they would negotiate for a while, bring in a fact-finder and then, if necessary, bring in a mediator or arbitrator—were very reasonable.

It was certainly assumed that the period from January to August would be sufficient if those time lines were followed. Yet the minister knows that every single time we have had a serious breakdown in this province in negotiations that have ended in a strike we have been talking of negotiation periods that have gone on for 16 months, 18 months and in one case as long as 20 months.

That is a serious problem in this bill, and it is also one of the issues that was brought up in the Matthews commission. Something is going to have to be done to firm up and enforce those time lines. Here we certainly have one more example of the fact that a strike or a lockout becomes almost inevitable. One can literally bank on its happening, when negotiations last that long. The amount of bitterness, frustration and anger that is generated between the two sides leaves little other possibility.

I would be interested in having the minister provide us at some time with statistics on the number of negotiations that have, in fact, gone on for that long a period of time and have been settled without a strike. I am not aware of any. Maybe the minister can indicate some. We have got to deal with that situation.

I would also say that we had hoped that the introduction of a mediator of the quality of Richard Jackson would resolve the problem. He is quite a competent man. But once again we are coming up against an area of the whole legislation which is flawed, namely, this practice of continuing to bring in people on a one-shot basis who have relatively little background with which to truly understand the teachers' position or truly understand the board's position.

I hope that very soon we are going to be able to take up the suggestion made by many, including some members of my party, that we have a semi-permanent panel of mediators or arbitrators, people who have genuinely come to

understand the issues, who will be coming back time and time again, as opposed to people who are brought in either from the bench or from the university on these kinds of one-shot deals. I think that is hurting us.

It has become very evident, despite the fact, which I have indicated, that there are 26 items left in dispute, that the single most pressing item is class size. I have a sense, and I got that sense from those with whom I have talked in the Leeds-Grenville area, that if that one could be resolved the others would probably fall into place reasonably quickly. It is for that reason—and other members of my party have brought this to the minister's attention—that I was somewhat dismayed that the minister should go on public record and make the statement that it really does not matter whether a good teacher has 15 pupils in her class or 50 pupils in her class, that the significant quality is a good teacher.

The minister will have the opportunity again later today to expand on what she intended by that statement. But surely she appreciates that as the Minister of the Education, as the chief spokesman for the government in educational matters, when she makes a public utterance in that way on a very sensitive issue such as this—and I appreciate fully that it was in response to a question; as a matter of fact I do not think I have to remind the minister that somebody in this caucus got into trouble answering an education question as well, though that is neither here nor there at this point—it is foolhardy and inappropriate, in my judgement at least, for the minister to make that kind of response, particularly—and the minister knows this—when the court is still out on the whole question of class size in terms of valid, well-researched evidence.

4:30 p.m.

Let me take it one step further. I think the minister knows there is not a single teacher in Ontario who will agree with her that class size does not make a difference. I have never found one. If the minister knows one, please let me know his or her name. I doubt there are many parents or students in the province who will agree with her. Again, I have never met one. Perhaps some day we will prove it. I doubt it, but maybe some day we will.

At this time when it has not been proven, when it is an extremely sensitive issue, when we have the only existing strike in the province turning on that one issue, it was most inappropriate for the minister to have made that

comment. I would be pleased to hear her further expansion of what she really said, why she said it and what she meant by saying it.

The other point I would make is that in Leeds-Grenville, as I understand it, they already have one of the highest pupil-teacher ratios in the province. I mention that specifically because the minister knows as well as I do that pupil-teacher ratio does not have a direct bearing on class size, but it certainly has an indirect one.

The point the Leeds people have brought to my attention, and I suspect they have also brought it to the minister's attention, is that for many other school boards that already have a much lower pupil-teacher ratio, class size is not a particular problem. However, when we get into an area like Leeds where the PTR is already high, class size is a very important problem. That is a factor that has to be taken into consideration.

I have tried to indicate I have made no change in my philosophical position as to whether strikes under any circumstances are the best way to go. I have also tried to make it clear that in my judgement this legislation, dealing with this issue, is not a good piece of legislation.

One thing that does concern me—and I would ask the minister that she do everything in her power to relieve not just my concern, but also the concern of the people in the Leeds-Grenville area—is a process or procedure whereby there will be a monitoring of the negotiations that go on for the next two months so that there can be no doubt whatsoever as to whether either side is misusing that period of time in which they were genuinely to do what this bill permits them to do, to continue to negotiate. There has to be that.

I would draw to the minister's attention there is a perception right now by one side in this dispute that the other is going to drag its heels and that there will not be genuine negotiation because it is not in their best interest to have genuine negotiation, they would much rather have someone impose it on them. In that way they will not have to face the public unpopularity of the settlement, no matter what it might be.

If the minister is determined to go ahead with this legislation anyway, despite what I and some of my colleagues have said and despite what some of the New Democrats are going to say, at the very least she has a responsibility to assure herself that the negotiations that go on during July and August are genuine and there is a real attempt on both sides to come to an agreement.

Quite frankly, I genuinely hope this legisla-

tion is not necessary. I still disagree with the reasons given by the Education Relations Commission. I do not think they are valid. Let me leave it there. I hope the legislation is not necessary and the two sides will settle it on their own. Let us hear what other people have to say.

Mr. Grande: Mr. Speaker, I listened intently to what the Minister of Education said in her opening remarks, and I still do not have a reason to believe this legislation is necessary at this time. I listened intently to what the Liberal education critic said and I still do not understand the position of the Liberal Party on this legislation. The Liberal education critic went on to say how bad this legislation is. He noted he would bring in amendments if the minister is not ready to move on this legislation.

I did not hear whether the Liberal Party is going to be opposing this legislation on second reading. I want to give the Liberal education critic the opportunity to so determine before I proceed with my remarks if that is acceptable to you, Mr. Speaker, and to the education critic.

The Acting Speaker (Mr. Cousens): No, you have the floor; please carry on.

Mr. Grande: Since you deem that I have the floor, I shall keep the floor. I guess the education critic of the Liberal Party will at a different time find the opportunity to say where they stand.

Mr. Riddell: What difference does it make to you?

Mr. Grande: It certainly does make a difference, all right, it certainly does make a difference.

Mr. Riddell: Express your own views. We will do as we like.

Mr. Grande: Let me put, not my view, but the view of the New Democratic Party on this issue, which is that we are opposed to this destructive legislation before us today. We are opposed to it and we are going to be dividing on second reading and dividing in no uncertain terms. This legislation is destructive legislation to the free collective bargaining of the teachers in this province and it is threatening to every other worker in this province. It appears that the rights of teachers, even though they have had this right since 1974, are now being challenged not only by the Liberal Party of Ontario but by the Progressive Conservative Party of Ontario.

In essence, there is no need for this legislation. The minister knows there is no need for this legislation. Yet in the dying days of this session of parliament the minister brought in

this legislation, if I may say so, on an incorrect and maybe illegal judgement of the Education Relations Committee.

Let me say to the minister she should take this a little more seriously because of the effect this legislation will have across this province in board-teacher negotiations from now on. I would say to the minister that the legislation before us today will guarantee there will be no local settlement; it will guarantee it. Some of the board officials on the negotiating committee were joyous when the minister brought in this legislation.

Hon. Miss Stephenson: No, they were not.

Mr. Grande: I will get to that member in a minute.

They were joyous because in essence what the chairman of the negotiating committee said was: "Finally, we are off the hook. We really do not have to negotiate any further." I have been trying to figure out for the past week since this legislation has been in here, why it is that the Minister of Education is bringing in this bill at this time. Why is it that since 1976 there has been no comparable bill in this Legislature?

As other people have mentioned before—the minister, the Liberal critic—Sudbury teachers were out for 56 days, Bruce teachers were out for about 34 or 35 days, Grey teachers about 40 or 42 days, we have the perfect example in Renfrew county where they were out somewhere around 36 or 38 days; and the fact is that the Education Relations Commission found no jeopardy in these cases with the exception of Renfrew county, and I will come to that in a minute as well.

4:40 p.m.

There are no words to describe this legislation other than teacher bashing. It is exactly what this legislation is about. The Minister of Education and the government of the day have decided that now they have their majority powers back they are going to deal with the teachers in this province and deal with them speedily. In effect, that is exactly what is happening here.

The Minister of Education is going to be dealing with teachers in Leeds and Grenville, where there is a very tiny board, but none the less the minister is going to make an example of Leeds and Grenville to say to the other boards where negotiations may be going on in the province at this particular time, or will be going on in the province before the end of the year: "This threat, my friends, is going to be on you if

you do not move to negotiate and move fast. Forget about class size, because class size is one of those things that management ought to be deciding upon, not the teachers of this province. The quality of education is something that management ought to be talking about, not the teachers of this province." The minister obviously believes the teachers of this province should have no say in terms of the working conditions and the working environment.

The Liberal critic referred to that *Globe and Mail* article that I pointed out three weeks ago in estimates, about the comment that the minister made about class size. I will come to that in due course. I just wanted to point out to her that I really would like to find out what the purpose of this legislation is all about and why the government is so intent in misusing the power of majority in this province; which, by the way, it has been misusing for the last two months, ever since this Legislature started sitting.

That hospital bill—and it is not the time now to talk about it—is a misuse of power in this province and this legislation that we have before us, Bill 124, is another example of misuse of power in this province.

The government is beginning that old method that it had prior to 1975 where it systematically begins to alienate groups of people in this province. Well, go ahead, do it. That is the plan. By the next time around, whenever the election will be coming, I guess those people will repay the government and repay it handsomely.

Therefore, as I said, this legislation is an abuse of power. It is political expediency at its best. It does not allow the two parties in this dispute to come to a collective agreement. It will impose a third-party position upon the free collective bargaining process and that's why this party is not taking this legislation lightly and that's why this party says at the outset it is opposed in no uncertain terms to this kind of legislation.

Let me go on for a minute as to why the minister brought in this type of legislation, and what the minister said when the legislation was introduced. The minister said in the compendium of background material—a one-sheet compendium, by the way, but thanks very much for providing further information later on—the minister said, and I quote, "Because of a strong possibility that the dispute may not end before the commencement of the 1981-82 school year, it is considered that in the public interest a legislated settlement of the dispute is required."

On that particular day the minister tabled in the Legislature the letter of June 11, 1981, from the Education Relations Commission. I understand that the decisions of the Education Relations Commission cannot normally be seen by anyone unless the minister gives permission. That was news to me. I thought that once the commission made decisions they became public information. But that is for another time.

The commission clearly said, "According to the duties and responsibilities of the School Boards and Teachers Collective Negotiations Act, 1975, under section 61(1)(h), we find no jeopardy in this case." It is clear they found no jeopardy. Since there was no jeopardy, those two parties should be allowed to continue towards a collective agreement. The minister did not allow the two parties to do so. The commission, despite what the minister may be saying, does not have the power to tell us in this Legislature, or to recommend to the minister, that even though no jeopardy is found, this Legislature, or the commission, should be ordering this legislation. It has no power whatsoever.

If the commission would say, "We find jeopardy as of this date," then the minister has the duty and the responsibility to act on that recommendation. The minister may come with legislation or the minister may talk to the two parties and say, "Get back to the bargaining table and bargain hard." However, even though the Education Relations Commission said, "We find no jeopardy in this matter," the minister has decided to bring in legislation.

I contend the Education Relations Commission has no power whatsoever to make any other recommendation in this decision of June 11, 1981. The minister may decide what she wants. The government may decide what it wants. But the fact is that the duty of the Education Relations Commission is to help the two parties in the free collective bargaining process and nothing else.

A second duty is to find out at what particular point for the public good the students are in jeopardy. On the second point the commission found no jeopardy. Therefore, any other recommendations coming from that body are nothing but a misuse of their particular powers. Anyway, they do not have the powers and therefore they cannot misuse them. The decision of the commission we have before us says, "Well, since the Legislature is going to rise pretty soon for the summer, we recommend that a bill be brought in." What business is it of the Education Relations Commission when the

Legislature is going to rise? Why should the commission be concerned with the order of business of this Legislature?

Mr. Runciman: They are concerned about the students.

4:50 p.m.

Mr. Grande: That is fine. As I said, it is their duty and responsibility to be concerned with students as we all are in this Legislature, in case the member does not understand that; but the commission's concern with students does not go to the point of ordering the business of this Legislature, it has no business whatever doing that.

The minister, by accepting that recommendation by that commission, in effect has compromised totally the work of the commission. In other words, whenever the commission from now on attempts to help the two parties in a dispute solve their differences or bargain, those two parties in dispute will say, "Thank you very much, but we do not need your help because you, as a commission, are not going to come down with recommendations you have the power to make and announce."

The minister may try to say the commission acted under section 61(1)(a) of the School Boards and Teachers Collective Negotiations Act, 1975, dealing with the duties and responsibilities of a commission. Let me read section 61(1)(a): "To carry out the duties imposed on it by this act and such other functions as may, in the opinion of the commission, be necessary to carry out the intent and purpose of this act."

Sweeping powers, are they not? We have given the Education Relations Commission sweeping powers. But the commission has never used, as far as I am aware, those wide-open powers under section 61(1)(a). If we take a look at all the other decisions made by the Education Relations Commission that have been made public by the Minister of Education—only the minister can make them public—we will find that the commission says: "According to section 61(1)(h) of the act," and nothing else.

In other words, the commission in practice has decided section 61(1)(h) is the relative clause as to its duties and responsibilities and nothing else. What now happens is we get the commission deciding not only that jeopardy is not a cause, a concern or a problem, and the students' courses or year have not been jeopardized, but we find the commission telling the Minister of Education how to behave and telling this Legislature what we should be doing.

It is inconceivable. I do not understand that process. However, I concede one thing to the minister. If she wants to give those powers to the commission she is free to come before this Legislature and change the act. The minister should take a look at the act and I am sure she has.

The Matthews report, the report of the Commission to Review the Collective Negotiation Process Between Teachers and School Boards, has two recommendations that go to the central problem we are discussing and debating here today.

One of the recommendations of the Matthews commission report is number nine on page 37, regarding termination of a strike or lockout. It says, "The commission recommends that Bill 100 be amended to provide that the Education Relations Commission shall advise the Lieutenant Governor in Council when it judges that an unresolvable impasse has been reached and/or the continuance of a strike or lockout will place in jeopardy the successful completion of courses of study by students."

In other words, when the bill is changed, if the minister decides to change Bill 100, not only would they decide a jeopardy but they can only be deciding when an impasse has been reached. But right now it is clear the commission—because the Matthews commission report recommends a change in the commission's power—has no power, duty and responsibility to determine and to be deciding when an impasse is reached in negotiations and to make recommendations to the minister.

Let us go to recommendation 10. It says, "The commission recommends that Bill 100 be amended to provide that in the event that a strike or lockout is to be terminated, the Education Relations Commission shall have the power to recommend to the Lieutenant Governor in Council the length of the agreement to be established, as well as the method to be used to settle the dispute; for example, final-offer selection or arbitration or any other procedure."

In other words, the Education Relations Commission in this case is anticipating any changes that the minister may decide to bring in in Bill 100. In other words, it is clear that they do not have the powers, duties and responsibility to do what they did in this decision that they gave the minister on June 11, 1981.

Not only did they say, "We decide when an impasse is reached," but they also said, "This is the method by which the dispute should be resolved"—clearly, duties the commission does

not have at present. Therefore, I would ask the minister, has she, in her department, in the ministry, decided as to the legality of this decision that the commission has made? Has she decided the legality? I hope the minister would have some words to say about that.

On top of it all, we find out that on June 11, the commission gives the minister its decision. On June 12, a day later, the commission writes to the teachers of Leeds and Grenville, and I quote: "The Education Relations Commission met on Thursday concerning the dispute between the Leeds and Grenville Board of Education and its secondary school teachers and will be releasing the following to all media tomorrow:

"On Thursday, the Education Relations Commission reviewed the dispute between Leeds and Grenville Board of Education and its secondary school teachers. The commission is filing with the Minister of Education a report to deal with the dispute. The commission is strongly committed to voluntary dispute resolution rather than imposed solutions."

A day after they made the recommendations to the minister to bring in legislation to impose a particular method of compulsory arbitration as a matter of fact, the commission is strongly committed to voluntary dispute resolution rather than imposed solutions. I continue:

"Moreover, it is clear that the parties directly involved are responsible for the dispute in Leeds and Grenville and that an early resolution of it rests with the parties. Therefore, the commission urges the negotiating committees for both parties to continue to meet in face-to-face sessions and work out their remaining differences.

"If both parties ask for assistance or significantly change their position, mediation services will be provided by the commission." Signed, "G. R. Allan, chief executive officer."

There has to be some kind of a problem of communication here, between the chief executive officer and Mr. Downie of the Education Relations Commission. What is going on? How could they come down on June 11 with the recommendation to the minister to bring in compulsory arbitration and then on June 12 write to one of the parties and say, "We are strongly committed to voluntary resolution rather than an imposed solution"?

5 p.m.

I don't say this lightly, but all this may lead to the fact that this is what the minister wanted. The minister may have wanted to bring in legislation and the minister may have made up

her mind to bring in legislation even prior to this decision June 11. Therefore, the commission had to serve the needs of the government of the province and not serve the needs of the two parties that are in dispute.

That is the only way to interpret it. There is no other logical solution or logical explanation when the commission was saying on June 11 "Bring in compulsory arbitration," and then on June 12 the commission is saying to the teachers, and supposedly to the board as well, "Come on, fellows, let's get down to serious collective bargaining." It seems ludicrous to do this.

I just wanted to point out that recommendation 10, which I read, says the Education Relations Commission should have the power to recommend to the Lieutenant Governor in Council the length of the agreement to be established. We find in this bill before us today that is exactly what the Education Relations Commission said without having the power, because they talk about a three-year collective agreement. The commission doesn't have the power to do that, otherwise they spent thousands of dollars for the Matthews commission report for what? Maybe the Matthews commission report was nothing more than just something to defuse an issue which, as far as I am concerned, has never been an issue.

The reason this legislation is in the Legislature today, and the problem the teachers and boards are having in Leeds and Grenville, is the staffing ratios, class size. The Minister of Education well knows that in Issues and Directions, the late Robert Jackson and the royal commission said one of their recommendations was that the teachers of this province should be considering class size at the bargaining table. That recommendation was specifically made to the teachers of the province. He said that was where they have to decide class size or pupil-teacher ratio or whatever else they want to talk about—at the bargaining table.

The teachers and the Leeds and Grenville board were in the process of attempting just that. The Minister of Education is pulling the rug from under their feet with this legislation.

Hon. Mr. Sterling: Eighteen months, a year and a half; pulling the rug from under their feet?

Mr. Grande: The member for Carleton-Grenville says a year and a half. Does he know that a week and a half ago he was saying to the people and the teachers of Leeds and Grenville that this government has no intention of bringing in legislation?

Hon. Mr. Sterling: Did we say that?

Mr. Grande: Yes, that this government has no intention of bringing in back-to-work legislation.

Hon. Mr. Sterling: Who said that?

Mr. Grande: The honourable member did.

Hon. Mr. Sterling: I did? I'll call your bluff. Show me.

Mr. Grande: I will show the honourable member exactly where he said it.

Mr. Nixon: There is lots of time. We have all night.

Mr. Grande: "Legislation Is a Last Resort" is the heading. "Norm Sterling, MPP for Carleton-Grenville, said a legislated end to the strike is outside the realm of probability." The honourable member is quoted on June 6 by the Kingston Whig-Standard.

Mr. Bradley: And it never lies.

Mr. Martel: Resign. Or at least apologize to my colleague. You called his bluff.

Hon. Mr. Sterling: Those are not my words. He misquoted me.

Some hon. members: Oh, oh!

The Acting Speaker: Carry on, Mr. Grande. You have the floor.

Mr. Grande: Thank you very much, Mr. Speaker. I will do my best.

The member for Carleton-Grenville now has the distinguished position of being privy to cabinet matters. He says to the Whig-Standard that no legislation is even thought about; it is outside the realm of probability. Yet six days from the time the minister made that statement we have a bill in this Legislature dealing with exactly what he said is outside the realm of possibility.

Hon. Miss Stephenson: Oh, no. Six days later the letter came from ERC, and six days later came the legislation. You cannot add.

Mr. Grande: When the minister has behind her a member from the area who gets up and asks her to bring in compulsory arbitration and put the teachers back to work, she should not try to tell me that. The minister knows if she leaves the teachers out on strike over the summer the teachers are going to have the upper hand come September. Does the House want a quote from that member as well?

Hon. Mr. Sterling: Go ahead. For the record, you misquoted me the first time.

Mr. Martel: Oh, they misquoted you? I didn't see you rise on a point of privilege or a point of order, or even on a point of difference.

The Acting Speaker: Order. Mr. Grande has the floor; please give him your ear.

Mr. Grande: Thank you very much, Mr. Speaker. I do know I have the floor.

Interjection.

Mr. Grande: Do not worry, I say to the member for Algoma-Manitoulin (Mr. Lane), I have a lot to say.

Mr. Lane: Say it, for heaven's sake.

Mr. Grande: We have attempted to give that member the opportunity to speak on many occasions, Mr. Speaker, and every time he has refused it.

The member for Leeds (Mr. Runciman) said, and this is in the Ottawa Citizen of June 9, 1981: "Wells was responding to a request by Leeds MLA Bob Runciman, who said government action is needed to force a settlement by September.

"Runciman said the Ontario Secondary School Teachers' Federation wants to make the strike a precedent to get class size included in teaching contracts and is prepared to pay the teachers \$22 a day in strike pay during the summer to keep them out."

If that is all the appreciation that honourable member has for the free collective bargaining process, it is next to nothing. He is saying not to give in to the teachers.

5:10 p.m.

Maybe the honourable member should speak to the minister, and she should inform him that many of the teachers' collective agreements in this province have a clause on class size.

Hon. Miss Stephenson: Thirteen of them do.

Mr. Grande: That is fine; 13. But there are contracts in this province of which that item is a part. So that member obviously does not know about the negotiations that have gone on. He obviously does not know that teachers in this province consider working conditions and quality education to be important.

I was going to speak briefly on class size—

Interjections.

Mr. Grande: Let me say to the former Liberal leader, the member for Brant-Oxford-Norfolk (Mr. Nixon), that maybe his members learn something when I speak. In the House they asked the same questions that I asked the

Minister of Education in estimates three weeks earlier; therefore, they learned something. That is fine.

Mr. T. P. Reid: You're only a year behind on prosthetic devices.

Mr. Grande: That's what we are here for. We are here to learn from one another, are we not?

Interjections.

The Acting Speaker: Order.

Mr. Grande: And I hope the Minister of Education learns something about the free collective bargaining process today.

Mr. Elston: You are the only people who know it all around this place.

Mr. Martel: I am glad you recognize that.

Mr. Grande: We may not know it all, but we—

Mr. Swart: We don't know it all. It's just by comparison that it seems that way.

The Acting Speaker: Please carry on, Mr. Grande. We are dealing with Bill 124. Do not be interrupted by this.

Mr. Grande: Unfortunately, I do not determine whether I am interrupted, Mr. Speaker.

Since 1971, the Leeds and Grenville Board of Education had a letter of understanding with its teachers, a commitment. I want to read it into the record, because I think it is important what that board said to its teachers in 1971:

"The Leeds and Grenville Board of Education accepts in principle that classes in academic and commercial subjects become crowded at 30 students, in technical at 20 students and in occupational at 16 students. The board states its continuing intention to so staff the secondary schools that class size will reflect this principle, in keeping with sound practice in educational administration, and finance and with modern techniques of flexible organization and programming."

In other words, I point out to the member for Leeds that the board made a commitment back in 1971 to bargain over class size. That was back in 1971, even before the commission of inquiry conducted by the late Dr. Jackson. The member was saying that teachers should not be bargaining over class size.

I want to give the members of this Legislature an appreciation of the concern in Leeds and Grenville board, and of the concern of the teachers, for quality education, despite what the Minister of Education says about its not making any difference whether there are 15 or 50 students in a class.

A study done as of September 30, 1980, reported that 34.8 per cent of the 874 academic and commercial classes were crowded, 46.7 per cent of the 184 technical classes were crowded and 47.8 per cent of the 90 occupational classes were crowded.

Believe it or not, I tell members of the governing party, teachers are concerned about the quality of education and the quality of services they give to their students.

The Minister of Education ought to know that at the last negotiations the board presented a proposal in terms of class size. Does the minister not know that? All right, that is fine. In 1971, there was a letter in principle saying the board accepted the principle that class sizes should be smaller. That is what the board accepted in 1971. That is fine.

I am just pointing out to the minister that since September 1, 1980, 34.8 per cent of the commercial classes were crowded, 46.7 per cent of the technical classes were crowded, and 47.8 per cent of the 90 occupational classes were crowded.

I am saying to her that the teachers of Leeds and Grenville are concerned about the quality of education in that county board. They are saying, "We want to ensure that this crowding of our classrooms is going to diminish over a period of time." That is exactly what they were bargaining for. It is exactly what the bone of contention was all about.

The Minister of Education entered into that dispute in no uncertain terms in her statement that the member for St. Catharines (Mr. Bradley) and I read three weeks ago in the estimates. The minister, in essence, is saying: "It does not make any difference how many kids you have in your classroom, teacher, because you are solely responsible, your qualifications are really important and how good you are is important; therefore, why bother to negotiate class size?"

Why is the minister saying that? The minister is saying that because in Leeds and Grenville, and I guess the members from that area ought to know, the legislative grants to that board are between 68 and 70 per cent. They come from the province because of the low assessment base that Leeds-Grenville has.

The minister, in her astute way, is saying: "The more these teachers decide on some reasonable class size, the more we have to dish out as a government. Since we are committed to

underfunding and cutbacks in the educational process, this should not go on; we will not allow it."

Hon. Miss Stephenson: This member, honourable or otherwise, is presuming—

The Acting Speaker: Is this a point of order?

Hon. Miss Stephenson: It is a point of order and a point of personal privilege as well. The simple position he is taking, that he has any idea of what goes on in my mind, is something I find tremendously disturbing. In addition to that, he is presuming to interpret government policy in his own point of view and no one else's, and that is inappropriate.

The Acting Speaker: Order.

5:20 p.m.

Mr. Grande: I have never assumed that I can understand or have knowledge of what is in the minister's mind at any time. However, I do make a point of fact that education in this province has been underfunded ever since 1974-75. That is not an assumption; it is a point of fact.

From the statistics on the number of legislative grants that go to different boards of education, it is clear that an underfunding process is going on. We have known for the last three years that classes are getting more overcrowded as a result of the cutbacks in education financing and legislative grants that this ministry is providing to the boards.

Hon. Miss Stephenson: We have more teachers and fewer students and classes are becoming overcrowded. How does the member figure that out?

Mr. Grande: What the minister says is not comprehensible. Therefore, I did not comprehend it.

I want to put the problem of Leeds-Grenville in terms of staffing ratios, class size and what the teachers are attempting to do. Clearly, they are attempting to increase and improve the quality of the educational services they give to their students. The Minister of Education, by bringing in compulsory arbitration, is pulling the rug from under their feet. In a sense—and if the minister does not like it, so be it—that tells us exactly what the minister thinks in terms of the quality of educational services.

Obviously, the minister does not want quality in educational services in this province. Because of the underfunding of education and because of her actions in Leeds-Grenville, the minister

says, in essence, that the quality of educational services at this point in time is not important to the government of Ontario.

Hon. Miss Stephenson: Bunk!

Mr. Grande: The minister may say bunk; yet she will have to show proof and not just say bunk. I know for a fact that the quality of educational services is decreasing in this province. Whether they be in Metropolitan Toronto, Leeds-Grenville or any other place, classes are increasing in size. If the minister does not know that, perhaps she should take a look as far back as three years ago when the cutback process was in full swing.

I came across an open letter to the Minister of Education from Mr. McAndless, who is president of the Ontario Public School Men Teachers' Federation. I will not read the whole letter as it is not necessary. It says in part:

"In the *Globe and Mail* of Saturday, May 30, you were again quoted, Madam Minister, as saying, 'It makes no difference whether there are 50 or 15 students in a classroom so long as the teacher is qualified. There is no evidence that smaller classes can create better education.'

"It is a pity that the Ontario Minister of Education is so unread in the field of educational research as to be totally unaware of the Smith-Glass study on class size. It proves beyond doubt that class size does make a difference in the kind of activities which go on in the classroom. The activities in the classroom are what make up the education of the children and when those activities are improved so is the learning atmosphere.

"The 100,000-plus teachers in this province are completing a very busy year. They are tired and there are signs they have undergone more stress than usual. We do not need the Minister of Education making an inflammatory statement to undermine the profession even more. What we have been waiting for is for the minister to acknowledge the outstanding effort put forth by teachers in providing for the children of Ontario the finest education in the world. I wonder when we might expect a little encouragement.

"Yours sincerely, F. W. D. McAndless, President, OPSMTF."

The minister is making it clear to the teachers in this province that she does not offer encouragement to that profession to improve the quality of education and to give of their expertise day in and day out, not for five or six hours but for many more hours a day.

The minister's latest example of that encour-

agement is back-to-work legislation that imposes upon those teachers a collective bargaining agreement that will never, in terms of the arbitrator, look at class size as a factor. Arbitrators in the past, as far as I am aware, have always said that is management's right and the arbitrator has no business impinging upon management's rights.

In essence, the government says the quality of the education is not important. It is saying it will continue to underfund education. The minister is saying: "Despite what the late Dr. Jackson said, we do not want you to negotiate class size in collective agreements."

For all these reasons, I am opposed to this legislation. The New Democratic Party is totally opposed to this legislation. I sincerely hope that the Minister of Education will see the disruption this legislation will create, not just for the teachers in Leeds and Grenville and the board of Leeds and Grenville, but for all the teachers in Ontario and that, before we come to second reading, which of course we will oppose and on which we will divide, the minister will pull this destructive legislation and continue with the business of the House.

Mr. Runciman: Mr. Speaker, I want to make a couple of remarks in relation to what has been said here this afternoon.

The member for Oakwood mentioned the quality of education and said we were simply overlooking that. There is another side to that coin which he failed to mention, and that is job security. That is a very important ingredient of this. We cannot downplay the teachers' consideration for the quality of education, but they also have an important concern with job security.

I want to read an excerpt from an editorial in the Brockville Recorder and Times which relates to this:

"The board and teachers have been negotiating for this contract since February of 1980. Why has it taken until recently for the major issue to be publicly identified, and why is it an issue with so many negative connotations for the education system? Is it possible that the local board has been set up?

"Leeds-Grenville is a cheaper place for the Secondary School Teachers' Federation to take a strike than would be a large metropolitan board. Does the teachers' federation takeover team believe that a strike, long-term if necessary, against this board is worth the local anguish in order to write maximum class size into the contract, thereby nailing down another board in their march across the province?

"One of the results of negotiating maximum class size could easily be the hiring of more teachers. In a time of declining secondary school enrolment, is this merely a job security issue disguised in more palatable terminology?"

I also ask that question, as do a good many people in Leeds and Grenville.

5:30 p.m.

One of the members opposite said that because I have a trade union background I am a disgrace to trade unions, but I will be glad to put my record in trade unionism against anybody's on that side.

Mr. Swart: Ask the union people.

Mr. Runciman: I tell the member that there is a great deal more support for this party in trade unions than there is for his party, and it shows in an election. I think those people feel much more comfortable with professional groups like the one we are talking about today.

Mr. Speaker, as the representative for Leeds, I appreciate this opportunity to support the legislation and the recommendations of the Education Relations Commission regarding the secondary school teachers' strike in Leeds-Grenville.

Before setting out my reasons for that support, I want to read into the record again a few important excerpts in that report that are being avoided by members opposite.

The commission, although feeling it inappropriate to declare jeopardy at this time, states: "In this particular case, there are some very important facts which cause us concern. The state of negotiations seems to be deteriorating; the parties are, if not frozen, exceedingly rigid in their positions; and, as noted, there is a real possibility that the dispute will not end in anything approaching a reasonable time. That is, our concern relates to the unique aspect of this particular sanction, viz. the possible continuation of the strike into a new school year after the loss of a considerable number of school days in the current school year and without any indication of a future settlement point."

I have difficulty in comprehending the Liberal critic's point of view on this. He feels personally that jeopardy is there now because the students have missed seven weeks. I share that opinion. Then he goes on to say, if we go into the new school year, there is not jeopardy. To me, if we are taking the tail end of the

present school year and going into a new school year, if that does not constitute jeopardy, what does? I just cannot comprehend that reasoning.

Mr. Nixon: Think about it. It makes sense.

Mr. Runciman: It does not make sense to me. It does not make sense to a great many of us.

The ERC recommendations mention the uniqueness of the Leeds-Grenville situation, and I want to emphasize that uniqueness. This is not a school strike like any other strike. Granted, we have the same principals, the school board and teachers, locked in a conflict that is deadly to neither of them. They are not the victims, come what may. The real victims are the students, the young people whom politicians are wont to call our province's greatest resource, our future. If there is a whit of sincerity in such declarations, then there must be sympathy for these students who are about to get a double whammy in a strike—and this is where it is unique—extending through two school years unless this House legislates an end to it.

The students have already missed two months of school, and no one really knows what effect that will have on many of them. For many, it can mean an extra year of school. An example of this is Ted Dancy of Athens, who had hoped to pick up credits at summer school this year to qualify for a hockey scholarship at Cornell. Now he will require an extra year of school.

Not only is summer school out this year, but also the students face the real possibility of not going back to school in September. The proposed legislation cannot be seen as discriminatory; it favours neither the teachers nor the board. It does, however, represent consideration for the schooling of our young high school students. It is an act of responsibility in a strike that could become an example of irresponsibility if there exists a possibility that it will continue in September and we do not do anything to help ensure that does not happen.

The legislation is unusual as well as fair to both the teachers and the board, in that neither side is being told, "That's it." The legislation is telling them to settle their differences before September. It does not preclude a local settlement. It offers both sides two months, July and August, to come to terms. It also makes it possible for the youngsters to plan their futures based on completing their education on time.

Are there any parents who would favour continuing a strike that could see their own children forced out of school from one term into the next? Ask the parents of this province if they

favour this type of legislation, motivated as it is in the best interests of the students and one will get a quick and favourable answer.

Mr. Martel: Do not be so silly. No one likes to strike.

Mr. Runciman: I wonder about that.

A great many of them do not think teachers should be able to close our schools, and the implications of this strike, involving two terms, has brought increasing support for that attitude. Those members should try a survey in their own constituencies and I will wager they will find how much that feeling has become a growing trend.

Mr. Nixon: That is not what you were saying in the election campaign.

Mr. Runciman: We are talking about strikes, and I tried to emphasize something about this situation but obviously did not get through to the other side. Good faith is a critical ingredient in bargaining and there has been no good faith here. We are talking about 18 months of bargaining with 40 issues still outstanding on the table. It cries out for action by this government.

There has been criticism of Bill 124 by the teachers' federation because they feel it will invalidate Bill 100. I do not think that is a fair criticism. In no way will it invalidate Bill 100—a bill I would not support personally anyway. I will get that in the record. Bill 100 will still be in place to be used but not abused.

Mr. Nixon: I am sure the majority of your colleagues are all whipped into line.

Ms. Fish: Ark! Ark! Ark!

Mr. Martel: Throw them another fish.

Mr. Speaker: Order.

Mr. Runciman: Mr. Speaker, if I can continue, Bill 100 will still be in place to be used but not abused. If, on the other hand, we fail to pass the legislation before us Bill 100 will be abused—abused in a manner not foreseen by this government or the people opposite who supported it.

Bill 100 was not intended, I am sure, to give licence to teachers and boards of education to abuse tax-supported institutions in the manner that has now become the potential in this strike—the closing of all high schools in a region for not one but two or more terms.

It is my understanding that when Bill 100 was passed it was with the feeling that reasonable people could settle bargaining differences in a reasonable length of time, with or without a

strike. It appears that reason is not prevailing in this case and that Bill 100 must be tempered by government action.

In this strike both sides have been deadlocked for months. How long are the long-suffering taxpayers expected to let the collective bargaining process keep the schools closed? It will be nearly five months come September, if there is no settlement, and almost 20 months since negotiations began. Enough is enough.

The teachers have the right to strike. As much as I may disagree with that right it is the law and I respect the law. But a law must be fair, equal and just. This is a law that makes students less than equals. Indeed, they can be held to ransom in so far as their educational rights are concerned if it were not for the authority of the Education Relations Commission, which also, in my estimation, exists to protect the interests of the students. They are protecting the interests of the students now by making recommendations to the minister. Yet that power of the ERC means nothing if this Legislature does not act as the protector of the rights of our young people.

Bill 124 merits the support of this House.

Mr. Nixon: Mr. Speaker, this debate certainly takes my mind back to the debate on Bill 100 in 1975. I have a feeling there was a bit more pressure on everybody in the House since the teachers and professional organizations had taken an extremely significant role in the development of the basic principles in that bill.

The aspect that permitted me, as Leader of the Opposition then, to persuade my colleagues to support the bill—many of them were enthusiastically in support of it—was that the Education Relations Commission had a clear responsibility under section 60 to recommend the end of a strike when, in its professional judgement, the education prospects and opportunities of the students were in jeopardy. All those grand speeches with hands held on hearts, the type of which we have just heard from the member for Leeds (Mr. Runciman), were given then.

5:40 p.m.

The easiest thing, I suppose, for a politician to say is, "We are thinking of the welfare of the students." I believe that is true. Politics intrude as well, particularly when, in a long strike, the acrimony that grows like a milkweed patch, not only between the teachers and the board but particularly in the community, is extremely unhealthy. That is one of the main reasons we in the Liberal Party have rejected the principle of

Bill 100, because we feel it does not serve the community, whether the teachers, the students, the board members, or the taxpayers and citizens.

On no occasion, since Bill 100 has become the statute entitled the School Boards and Teachers Collective Negotiations Act, has the commission recommended to the Lieutenant Governor in Council that the strike should be ended because the students' education was in jeopardy. I see the minister, in her usual aggressive and combative way, immediately start click-clicking and waving at her retinue under the gallery. If there is an occasion when it did, I should simply tell the minister that the executive director of the commission, in answering a question put by my colleague and education critic, the member for Kitchener-Wilmot (Mr. Sweeney), stated specifically that he had not recommended the jeopardy section to the minister or to the Lieutenant Governor in Council, as I think the provision of section 60 reads.

The point is there has never been an action by the government on the basis of a jeopardy recommendation to end a strike. I am particularly bitter about this, having supported the legislation on the basis of section 60 putting a net under the whole structure. So if, in fact, after all the provisions for negotiation and conciliation and diddling around had been completed, if a strike took place, it could not last a significant period of time, because this safety net was there. A recommendation would be given to the government and it might at least have the opportunity to share the responsibility of ending a strike because of a professional, independent recommendation.

This never occurred and in my own constituency we had a lengthy and sickening strike at the elementary level. Certainly the wounds that were caused in the Brant county strike have not by any means been healed over. Even worse than that, there was an extremely lengthy and acrimonious strike in the secondary school board system of Norfolk county, which was longer than this strike and the minister simply sat back and let the community tear itself apart. Sure, I know she used her good offices, she did her best. I am a great admirer of the minister when she is at her best. In this particular bill, I do not believe she is. I think she has been ill-advised. I think she is being unnecessarily stubborn, one of the attributes she exhibits from time to time that I do not always admire.

In this situation, I should say, the Liberal Party official opposition does not believe in

strikes in the school system, because of what we consider to be the failure of Bill 100. While perhaps we tend to blame the Education Relations Commission, the blame must lie with the minister and her predecessors. I hesitate to suggest that she and/or her predecessors would sit down with members of the Education Relations Commission and more or less talk about jeopardy, perhaps even the small-p political aspects. What kind of advice do the minister and her, or formerly his, colleagues want from the ERC as a strike goes on and the questions recur repeatedly day after day and the letters come in from the parents? The outraged parents sit in the minister's office and make sense which even the minister must accept.

I suppose I cannot suggest that there are emanations from the minister's office to the Education Relations Commission indicating: "Stick to your guns, boys, we are going to ride this one out. It is in a Liberal riding." The minister is shaking her head, and I accept that. What I am suggesting is unfair and probably does not happen.

Yet we know that people in these positions have the most sensitive antennae out, and they are getting the same readings as the minister does; they talk to somewhat the same people. Whether or not the minister or her predecessor would ever give the commission a clear indication of what they wanted by way of a recommendation—and I am sure they never would—it is almost like an editorial writer or reporter for the Sun; he knows what the publisher wants and he writes to accommodate him, even though the directions are not there; he likes his job, he likes to feel that he reflects the attitude of the boss.

For that reason I agree with my colleague, our education critic, who made such an excellent speech in setting out our concerns in this bill: that the whole concept of jeopardy is just a joke. It is a convenient political lever. Rather than to save the students from an extended strike it is to save the minister, as it has saved her predecessors from taking Draconian action, which they do not want to take. They have sloughed off the responsibility and they have not, until now, moved in part to assume it.

We in the Liberal Party do not believe that there should be strikes in the school system. We are supported by many Conservative members, obviously, including the new member for Leeds (Mr. Runciman). I do not recall what the attitude and position of his predecessor was. But

for that reason we are supporting the bill, in spite of our deep concerns about some aspects of it.

The government has a new chairman of the Education Relations Commission, and I cannot help but feel that he really does not know what the minister's responsibility is and what the responsibility of the House is. He states in his famous letter of June 11, on page two, "With the impending adjournment of the Legislature this situation places the commission in a serious dilemma."

I think the member for Oakwood (Mr. Grande) has said it very well: it is just none of his business what we are doing here. It is his business to recommend jeopardy if the kids are in jeopardy and if he sincerely believes, with the professional resources he has, that jeopardy exists. For him to worry about the convenience of the Legislature or of the minister is patently ridiculous. One of the things that the minister could have and should have and really must have said to him is that that is ridiculous.

I never knew the minister to give a darn for the convenience of this House before. To give her credit, she spends as much time in here as any of her cabinet colleagues and a good deal more than most. So we certainly do not accuse her of shirking her duties in any respect. We do not agree with her decisions, but she does not shirk them.

She should have told those people to mind their own business and to do their job. If the strike should be brought to an end they should recommend it; and if for some reason that happens on September 5 then it is up to the minister to recommend it to the Premier (Mr. Davis), who would then recall the House if that were decided, and we would deal with it. My colleague has indicated we have done that on numerous occasions in other strike situations, including school strike situations.

But for us to give the minister some kind of mallet, a blunt instrument, as we do in this legislation, that the strike may or may not end, that the Education Relations Commission may or may not ask for proclamation, that the school boards and the teachers know that it is game over anyway, puts us in an invidious position. I believe it downgrades the authority and reputation of the minister in a disastrous way. I say that sincerely. I think the minister is heading for reform institutions, or something like that, because I believe that the decision associated with the information available to the minister is really bad.

There is a way out, and the minister has had it put to her, I know, by others—certainly by the House leader for the New Democratic Party and by others, including myself: we should just walk away from this bill right now. Leave it there on the Order Paper. It has not been enacted, and if it is necessary in September or August or October or whenever, then we will come back to it and debate it with the circumstances of the time being the circumstances of the debate.

5:50 p.m.

I really believe that is a course of action that would save the powers of Bill 100—and I would think the chairman of the commission should be replaced for giving such bad advice—and would save the minister from any further erosion in the reputation for strong and definite action that is properly hers. She can still take this decision, and I believe she should. She should just say fine, even if we abandon the debate, or perhaps continue it, come to second reading and just let it go at that.

I do want to say something else. I really don't like the idea of the imposition of final-offer selection. I am not at all sure I agree 100 per cent with my colleague who made the argument that it should be left to the people down there, but I will tell the minister that final-offer selection only works when the two sides know they are going to be subjected to it. If we are going to have any kind of useful situation now, it is really too late. I believe when negotiations begin final-offer selection makes sense, but if we are going to have an arbitration, it should be a proper arbitration where somebody examines the issues, takes sides and decides on the arbitration.

I have one other thing to say and I am sure all my colleagues do not agree with me on this. For us to turn to Dr. Jackson's recommendation, when he said that the school boards and the teachers should negotiate the class sizes in all of the county boards across the province, in my view is nonsense. In fact, we have imposed on the negotiations the so-called takeover committee from the teachers' organization. They are in all respects reflecting the view of the central organization.

Quite often the school board will turn over its negotiation to a professional negotiator from the trustees' organization or from the centre. So we get these equal powers moving in on the teachers and displacing them and moving in on the board and displacing it, with the poor director sort of dancing around the outside trying to keep his or her skirts clean amid all of

the political issues as they arise, while the minister is sitting back without any opinion at all except to say, "Yes, this is for negotiation because Dr. Jackson said so."

I believe we should decide, as the basis of the quality of education and what we are prepared to pay for, just what those ratios ought to be within certain ranges. I say again, and I doubt all of my colleagues would agree with me, that the minister with her well-known strength and her well-known ability to make up her mind could lead the House, whether or not we would agree with her, in the kind of discussion based on all the background material we could possibly need and say: "This is the basis upon which we are going to pay our grants. If you want a richer situation than that"—as North York might or Brantford might—"go ahead and do it, but don't involve us in paying for a quality of education that is beyond that."

My point is this: The negotiations which many people rather naively think are left at the nice little local level with a democratically elected school board dealing with a well motivated group of teachers elected by their colleagues, that is bunkum. The negotiations take place between professionally trained and experienced negotiators and it is world class war, I am telling you—and the minister knows a lot more about that than I.

Interjection.

Mr. Nixon: It is tougher than Inco because quite often negotiations there are sort of patty-cake negotiations. It is all cut and dried ahead of time because they simply pass the cost on. You don't have strikes at Stelco and these big places any more, or Massey-Ferguson, because you simply give the other side what they want and pass the costs on to the poor farmers. That is another issue. But the school board has to pass the cost on to the taxpayers and the taxpayers may not like it next time around, so the school board digs its heels in and there are these long and protracted negotiations that are divisive, bitter and destructive.

The one problem that can never be solved is class size. Many school board people, and frankly I agree with them in many respects, say, "Listen, this is a management decision." The minister said it is not a management decision, it is for negotiation.

Hon. Miss Stephenson: No, I did not.

Mr. Nixon: All right, but Dr. Jackson told the minister that was so. All right, she has let that happen.

Hon. Miss Stephenson: Dr. Jackson said it, but it was not accepted.

Mr. Nixon: If the minister does not believe that, why does she not do something about it with all these people up there ready to bang the desks whatever she says or whatever she does?

Interjections.

Mr. Nixon: All right. I really believe we are going to continue to be plagued by unsolvable situations as long as the minister is not prepared to give some guidance as to what the quality of education, that is class size and cost, is going to be.

The minister should not frown. I am giving her my advice. I am paid for it and I have the right and responsibility to give her that advice. We really believe there should not be teachers' strikes. I have indicated to the minister why our party believes that. We do not like this bill, but in principle it ends the strike and we are going to support it. But we believe the minister's judgement is in error. The minister has had destructive advice from the new chairman of the ERC—

Hon. Miss Stephenson: He is not new.

Mr. Nixon: Is he not? I do not know who he is because I do not know these people anyway.

Hon. Miss Stephenson: He has been there two years.

Mr. Nixon: All right, but I believe his advice is bad and it is going to be destructive of the minister.

We are going to support the bill. My colleague has already indicated that we have some improvements the bill that we will be dealing with in committee.

Mr. Speaker: Mr. Martel?

Hon. Mr. Elgie: Give us a windup in four minutes.

Mr. Martel: Mr. Speaker, I am amazed, I really am. We are opposed to a strike because it is going to jeopardize the education of kids and,

in the next breath, the leader says we are going to eliminate one full year, we are going to eliminate grade 13. That really makes sense, does it not? A one-month strike could ruin them and yet you can wipe out a year. That really makes sense. If we take a month out of their education we will ruin them, but we can take out a full year and it does not make a tinker's damn of a difference. There is consistency there.

I must say that the member for Leeds (Mr. Runciman) put his foot in it, because he said the minister was there—in fact, over the supper hour I will get the Hansard just to quote back to him—to resolve that strike, that the minister was moving in at this time as someone was needed to resolve that dispute. That is what he was after. That is what he was agitating for.

What I find offensive about what the minister is attempting to do is right in the bill, in the letter that was submitted to her. It says, "Despite the danger, there is an absence of convincing evidence that jeopardy to courses of study exists at this time." There is no jeopardy, that is what the ERC is about. Does the minister understand what that means and what she is doing with this piece of legislation? If there is no jeopardy, we should not even be considering it. It is not the ERC's bloody business to tell this Legislature to advance a bill because we might not be around. I do not mind if I am inconvenienced in September. That is not ERC's business. The ordering of the House is the business of the government, and if we have to come back, that should not worry the ERC one jot and it should not even be in this letter.

What a consideration. There is no jeopardy. But the House might not be sitting so the minister had better get a bill ready in case there might be jeopardy. Some day down the road we will give it royal assent and then we will end the dispute. That is not the way it is supposed to work.

On motion by Mr. Martel, the debate was adjourned.

The House recessed at 6:01 p.m.

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Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, July 2, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, July 2, 1981

The House resumed at 8 p.m.

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 124, An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

On motion by Mr. Martel, the debate was adjourned.

EXECUTIVE COUNCIL AMENDMENT ACT

Hon. Mr. Wells moved second reading of Bill 126, An Act to amend the Executive Council Act.

Hon. Mr. Wells: Mr. Speaker, I think this bill is fairly self-explanatory. It is a bill which changes the annual salaries for ministers with portfolio, for the prime minister of this province, for ministers without portfolio and for parliamentary assistants. The changes suggested in here are roughly the equivalent percentage to that which members of the public service of this province, particularly in the senior management categories, have been granted over the last several months.

Mr. T. P. Reid: Mr. Speaker, I would just like to ask the House leader a question. It seems to me that a couple of years ago when we were going through this exercise there was an agreement that there would be a certain level between members of the cabinet and the ordinary member of the Legislature. There was an agreement that there would be a ceiling on that and, if there were to be any increases, those increases would go to the ordinary member or the noncabinet member of the House and the differential between the cabinet and the ordinary member would be maintained at that level.

Since apparently that is not being followed here, I wonder if the House leader would comment on whether he still feels that that should be valid and that perhaps the differential we are passing here tonight should be the differential between the two.

The Deputy Speaker: Mr. Reid, as you can

appreciate, we are not in question period, but I am sure the minister will take down your remarks and possibly make reference to them in his closing statement.

Ms. Copps: Mr. Speaker, I would like to speak in opposition to the bill, partly on the grounds that a number of people have the title of parliamentary assistant, for example, and are involved in the executive council. As a new member here and as a member of the opposition, I do not believe that they are making any greater contribution to this House than I or my colleagues on this side of the House are. I think some of them are not earning the extra money that is awarded to them. I find that it is just a way to enable the government to pad the coffers of the government party without actually justifying it on the basis of work load.

I also do not feel that the leader of the third party should have an increase over and above the increases awarded to the government and the opposition side. I think it is an indication of this government's intention to prop up the third party in an effort to use the old divide-and-conquer philosophy.

For those reasons I will vote against the bill.

The Deputy Speaker: Is there any other member who would like to participate in this debate? Mr. Wells then.

Hon. Mr. Snow: Can I speak?

Hon. Mr. Wells: No, you cannot speak.

Mr. Speaker, in answer to the comments regarding the leader of the third party, we are in effect following a recommendation of the Commission on Election Contributions and Expenses. In their recommendations they suggested that there be some additional remuneration for the leader of the third party. That is not in this bill; that is in the next bill. This bill deals only with the Premier (Mr. Davis), ministers with or without portfolio and parliamentary assistants.

In answer to the question from the member for Rainy River (Mr. T. P. Reid), I am not aware of any percentage differential that was ever agreed upon. I do not know whether that might or might not be a good idea. I certainly support something that I know he supports, which is

better basic remuneration for members of this Legislature. I think that is going to be put into practice in the next bill which we are going to debate in a few minutes. It recognizes that a basic increase in the salary and expense allowance for members of this Legislature is necessary.

I just want to point out again—and it may not make any difference, but I think it must be remembered—that the members of the executive council and the parliamentary assistants who accept—

Mr. Conway: The ones who are allowed to answer questions.

Hon. Mr. Wells: They are not allowed to answer questions but, as my friend knows, they do carry legislation here. As part of the responsibility of accepting those additional responsibilities, those particular members are bound by a set of conflict-of-interest requirements that do not apply to the other members of this House.

Mr. T. P. Reid: I will trade you.

Hon. Mr. Wells: The member says he will trade me. I would suggest that the other members of this House, those who do not hold any of these responsibilities, might like to look at whether they should be bound by the same kind of requirements. Those requirements are that one cannot be a partner in or run one's own business, buy or sell stock on the stock market directly, buy or sell land or do a variety of things. These limit one's activities in a business sense, for which it can be argued that, along with one's responsibility, one should not be asked to accept a basic salary that is not at least somewhere in keeping with the job one is doing. Whether that is of any interest to members of the House, I think it needs to be said again.

8:10 p.m.

Mr. Conway: The less said the better. It gets sillier as it goes on.

Hon. Mr. Wells: I submit to my friend that it does not get sillier as it goes on.

Hon. Mr. Gregory: You have been silly since March 19.

Mr. Conway: There are 21 parliamentary assistants running around.

Hon. Mr. Wells: We probably do not have as many parliamentary secretaries as they have at Ottawa. Whether that makes it right or wrong is neither here nor there. The position of parlia-

mentary assistant is helpful to the ministers. These ladies and gentlemen perform a function in the whole system and in this House.

Motion agreed to.

Ordered for third reading.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Hon. Mr. Wells moved second reading of Bill 127, An Act to amend the Legislative Assembly Act.

Hon. Mr. Wells: Mr. Speaker, I have already indicated that one of the provisions of this bill is the change of remuneration for the leader of the third party. This is in keeping with the recommendation of the Commission on Election Contributions and Expenses. The other provision is the change in the expense allowance, an increase which was not recommended by the Commission on Election Contributions and Expenses, but which I think is necessary at this time in keeping with the duties, responsibilities and obligations that the members of this Legislature face.

Although we are not changing this bill at this time and are still leaving the provision which will allow the Commission on Election Contributions and Expenses to carry out its annual review, we are considering some other mechanism for a more full review of members' basic salary over the next four or five months in preparation for the next annual review in a way that could take into account some of the things members of this House at various times have spoken to me about concerning that basic salary.

I believe, as many members have told me—and the member for Rainy River (Mr. T. P. Reid) has already enunciated it here tonight—that this is an important job in the democratic process in this province and members of this Legislature should be paid a decent salary and be remunerated for their expenses.

I would be happy to have a thorough comparison and review made of the kind of remuneration we receive and what would be an appropriate level for future remuneration. It would be by some kind of impartial commission or some kind of impartial review different from the one which we have been using for the last three years.

Mr. Wrye: Mr. Speaker, I want to make a brief comment. While I certainly support the legislation, I suggest to the government House leader that some of us on this side and some on

his own side, I believe, do have some problems with the expense-free allowance. We would feel a little more honest with our constituents if that \$10,000 proposed in this legislation were all to be translated into taxable income. I would have no problem justifying that to the voters of my riding and I suggest most members of the Legislature would likewise have no problem.

If we were to set up an independent commission or other organization, I would hope that in future years we should not be moving so much to increase the tax-free allowance which, as I am sure the government House leader knows, is something that is not as important now that we have a number of other means, through accommodation allowances, more generous air fare and more generous expenses in a number of areas such as constituency travel—and perhaps rightly so. The day of the tax-free allowance may well be past us.

Perhaps we should be totally open and honest about our salaries and simply make it all taxable income. I would have no problem in doing so and I suggest the majority of the members would not. Perhaps we would be a little more honest if we were to do so.

Mr. Cooke: Mr. Speaker, I just want to make one point on an inequity I see. I am sure there are others. It is interesting to me that the government whip gets his salary for being a member and gets his salary for being a minister without portfolio. He gets his \$8,900 for being whip, gets his staff, gets a beautiful office, gets his car and all the rest of those things that come with being a cabinet minister.

Yet on the other side of the floor, where we also have whips, we do not get staff to assist ourselves and we do not get the extra salary they get over there. While we do not have as many members to whip into the House there is some basic work associated with being a whip. That is an obvious inequity that should be looked at, whether it is strictly in the way of salary or also at providing some staffing to assist the whips of these parties so they can also do the constituency work and the critic's work that is very important for a member of the Legislature.

Ms. Copps: Mr. Speaker, I would like to reiterate the comments of my colleague the member for Windsor-Sandwich. I know it is probably not a popular position on any side of the House, but I feel the decision by the government to exceed the recommendations of the commission in terms of the expense allowance is unwarranted and extravagant.

I find it hard to believe we need a \$2,000-expense

allowance rate over and above what has been previously accorded when we have some members, including members on the government side, who not only collect their expense allowances and salaries, but also up to \$18,000 in expense allowance, mileage and accommodation. That is over and above the allowance which we allegedly need in the new changes.

I would prefer to see it moved to a taxable system. I think the salary we are at present receiving is not accurately reflected in the taxable and nontaxable package. I think it would be more honest to the taxpayers if we had a totally taxable package that would illustrate what kind of money we were receiving. I will be voting against it.

Mr. Renwick: Mr. Speaker, I was not going to enter the discussion tonight because I feel the increases provided in the bill are modest, quite reasonable and consistent. My reason for intervening in the debate is the comment made by the member for Windsor-Sandwich, reiterated by his colleague the member for Hamilton Centre, that there is something dishonest reflected in the income we are receiving in this assembly.

One can have it two ways. One can have it the traditional way, which has always provided for a nontaxable element with respect to the expenses incurred by members of the assembly and which is clearly recognized in the income tax laws of the country for many years.

8:20 p.m.

Let me make it very clear. I object to any suggestion that any number of dollars I am receiving in any form whatsoever is dishonest or lacking in some element of honesty. We are talking about a fundamental principle which has been engrained in the Income Tax Act of Canada since 1916, when the original Income Tax Act was introduced into the country and in 1917 with the Income War Tax Act. It applies at all levels of government. If we want to change that, then we have to think very carefully about the reasons for making the change.

Let me also explain as best I can that we are not employees. The provisions of the Income Tax Act that we have talked about would indicate that somehow or other we are in somebody's employ. We are not. Under the Income Tax Act, it is very clear that the distinctions which could be made can be made, because one of the things which it says is that the income that is taxable shall be the income from an office or employment.

I have always held the position that we fall

within that area. We hold an office. We are elected members of the assembly. We are not employed by the government; we are not employed by the civil service. We are not independent businessmen. We hold an office. I think the point is a valid point and that the question must be directed towards this matter. I would hope that the House leader finally would indicate what has been said on other occasions in the House over the years, and that we should look very carefully at the question of the definition of an office under the Income Tax Act of Canada, which is basically the statute we are talking about. We should make specific provision if we are going to go to a fully taxable system. I happen to believe that would be the appropriate road for us to take.

The traditional method no longer makes any sense. I am not going into the mathematics of what the calculations would be, but I am simply saying that if the Income Tax Act were amended to provide that the income from an office permitted each individual member to claim against the income from his office such expenses as under the Income Tax Act would be allowable, then we would do a lot to remedy the seeming inequity of members of the assembly receiving dollars which they treat as income, but which in fact are called a nontaxable allowance.

I do not want to go on at any great length. I am not talking about the provision in the Legislative Assembly Act for executive assistants or for legislative assistants, nor am I talking about provisions that permit us to have constituency offices and constituency assistants. I am not talking about that kind of expense. I am talking about the number of dollars which are discretionary to the member as to whether or not he will use them or not use them for expense purposes, but could treat them for his own personal purposes.

I think there is an anomaly in this day and age in that situation, but we cannot deal with it simply in isolation with respect to this assembly. What we have to deal with is the question of determining that if we are going to include the nontaxable element as taxable income, then this government, in association with the federal government, has to make arrangements so that the inclusion of that will permit the deduction of appropriate expenses of the member against that \$10,000 or whatever the amount should be.

I think it is wrong for this assembly to leave the impression out there that what we are doing is receiving salary in two elements, one part of

which is taxable and one nontaxable. I think the proper way to deal with it is simply to say that the total amount is income for tax purposes under the Income Tax Act of Canada and then to say that members will be permitted to deduct such expenses as they can justify as being in relation to the office which they hold. That is a very appropriate change to be made. But I do not want any impression created, either in the assembly or amongst my colleagues who are recently elected members of the assembly, that there is something dishonest in what we are doing. There is nothing dishonest. It is a long tradition. If the tradition is to be questioned, then I think it should be questioned properly.

The answer is not simply to say it is all taxable income. That is not the point. The point is if we are to establish the position of a member of the assembly as the holder of an office, then there has to be provision in the Income Tax Act that the holder of the office can deduct from that income such expenses as he or she can justify for the purpose of arriving at the taxpayer's net taxable income. That is not a difficult matter. It is done every day in the income tax office with respect to independent businessmen and others as to what are and what are not legitimate deductible expenses for the purpose of the office one holds as distinct from the employment one has.

If we are going to look at this matter differently than simply through the Commission on Election Contributions and Expenses, then let us commission somebody to look at that aspect of the matter. Let us at least see what provisions it would be necessary to make in the federal Income Tax Act in order that a proper assessment of the income of a particular member can be made.

I can well envisage members who would not have any expenses. The members of the Conservative Party who hold the pocket boroughs in Ontario would not have to have any expenses, of course. Those of us who live in the heat of the political battle obviously do have expenses which are incurred for the purpose. So there is a substantial inequity already in the system now in force. But everyone knows the political warfare in Ontario is going to require the individual judgement of the member.

If the government House leader is going to institute some study, let us look at it in a realistic way because the governing statute is not a statute over which we have any control. It is the Income Tax Act of Canada. There are ramifications of it which none of us have faced up to, but

which should be adequately dealt with. I only intervened in the debate because I do not want the member for Windsor-Sandwich or the member for Hamilton Centre to think for one single moment I will tolerate anyone saying there is something dishonest about what we are doing in connection with the provisions of Bill 127.

Hon. Mr. Gregory: Mr. Speaker, I do not want to speak at length; I just want to make a couple of remarks. First of all, I would like to associate myself with some remarks made by the member for Riverdale. I would like to comment on the remarks made by the member for Windsor-Riverside. I am at a loss to determine why he would suddenly go on the attack.

Mr. Cooke: It was not an attack.

Hon. Mr. Gregory: It was an attack, whether he realizes it or not. Would he care to hear what I have to say and then maybe he can judge whether it was an attack or not?

He zeroed in on one person in this party, the chief government whip. He seemed to direct his remarks towards the amount of staff the chief government whip has. I would point out the NDP member for Sudbury East (Mr. Martel) sits on the same committee I do, the Board of Internal Economy, and designates the amount of money to be spent by each caucus. Each caucus has the right to spend that money as it sees fit.

Mr. T.P. Reid: Remind them of what you did for them.

Hon. Mr. Gregory: As a matter of fact, I was just about to do that. The member's House leader sat on that committee when we determined the amount of money to be spent by each caucus. My caucus was among those three. They set the amount and they did not tell us how to use it. They said, "This is the money for the government caucus; this is the money for the Liberal caucus; and this is the money for the New Democratic caucus."

8:30 p.m.

However, we did add a little bit to the New Democratic caucus. I didn't hear them complaining then. I didn't hear any complaints from the New Democratic caucus at that point and we didn't add any conditions as to how that money should be spent.

Interjections.

Hon. Mr. Gregory: Mr. Speaker, I will continue when the parrots, or the turkeys, are finished, .

The Deputy Speaker: Mr. Gregory, you are being ever so provocative. Continue with the debate. Can we have some order here from my colleagues on the left?

Hon. Mr. Gregory: Mr. Speaker, I just want to point out that never once has this government decided to interfere in how another party spends its caucus funds or its research funds. I am merely suggesting to the member for Windsor-Riverside that I don't think it is within his realm to suggest how we spend our funds. The staff he sees in my office are paid for by those funds, so I think perhaps he is off on the wrong track.

Mr. Robinson: Mr. Speaker, as a new member of this assembly and as one who doesn't hold any of the ranks covered in the previous bill, I feel there is probably nothing more sensitive than for a politician anywhere to rise in his place on a matter of his own salary, particularly when an increase has been recommended.

When we start talking about honesty, honesty must not only be done, it must also appear to be done. It would be much simpler for me, and probably other members of this assembly, simply to sit back in our places and let the debate go for some length and then rise and support it. It may be reflected in the record somewhere that we supported the increase. It may be reflected simply that the increase was approved.

On behalf of my constituents of Scarborough-Ellesmere, I am not shy to say that I stand in my place tonight not only prepared to accept the bill in principle, but also to accept the salary funds attached to it. I believe that is honesty. Quite frankly, I have some difficulty when we start talking about things that are dishonest or appear to be dishonest or may be dishonest. As a politician, I have been in this spot before when increases have come up. One of my observations municipally over a number of years has been that, unfortunately, there were a number of politicians I knew municipally who, when it came time for this question, would always do a mental count of the votes or check around to see how the legislation stood and then would rise in their places and oppose it. I would describe that opposition as being very cavalier in nature indeed.

I would hate to think there are people in this House tonight who would oppose this legislation and accept the funds in any event. A mark of true honesty in this situation, if they are indeed in opposition, would be not only to

oppose it in this House and not only to oppose it in the vote, but to show their opposition by not accepting the increase.

Mr. Riddell: I was going to speak but, having heard the former speaker, I think I will just take my seat.

Hon. Mr. Wells: Mr. Speaker, in summing up the debate on this bill, I think it is a properly reasonable bill. Considering the responsibilities and value of this assembly, no matter what some people in the media or some people outside may say, those of us who have been here know that if democracy is to work, assemblies like this must exist and must work properly. The people who are in them must be paid a decent remuneration. This bill goes a long way to remedying some of the inequities that have existed.

I appreciate very much the remarks of the member for Riverdale. I think he said very well exactly what I would say. There is nothing wrong, dishonest, illegal or improper in what we are doing in this assembly in now having an indemnity or a salary and an expense allowance. It is provided for in the Income Tax Act of Canada. It is provided for in section 81(2), as is the provision for an expense allowance for municipal elected officials in section 81(3).

I think there is great merit in having any group that looks at future remuneration for this assembly look at it in the context that has been set by the member for Riverdale.

It has always been my feeling that if we are to look at removing the expense allowance we must see that we create the kind of position in the public mind and in the minds of the people at the Department of National Revenue that one is not an employee, but a person who has a right to charge off certain legitimate expenses against his income.

We should also look and see if this type of arrangement should apply at the municipal level, because at that level one third of remuneration for municipally elected officials is now tax free allowance. I think that is a legitimate thing but it does not exist at present. If we were to wipe out the present expense allowance, there is absolutely no provision in the Income Tax Act or the interpretations to allow write-offs for any expenses other than those we now receive on a tax free basis, for instance, for accommodation or for mileage. There is no provision for anything other than the \$500 expense allowance now available to employees who pay income tax.

I think it is a legitimate matter to look at and I would tell my friend I think it is something we

should write into any terms of reference if anyone looks at this matter over the next few months. I do not think I have any further remarks on this bill. I believe it is fair and I have no hesitation in urging members to support it.

Motion agreed to.

Ordered for third reading.

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

(concluded)

Resuming the adjourned debate on the motion for second reading of Bill 124, An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

Mr. Martel: Mr. Speaker, before the dinner hour, I started to address the problem of this piece of legislation. Over the dinner hour, I could not help but review an item that dealt with the Renfrew strike a couple of years ago.

The former Minister of Education (Mr. Wells) received a communication from the Education Relations Commission stating that the students' successful completion of programs could be in jeopardy. That is what they told the minister that day but, to his credit, his response was: "It is not the intention of the government to introduce legislation to resolve this dispute. I have made it plain to both parties, Mr. Speaker, that it would be futile, not to say irresponsible, for the parties to sit back in the expectation that ultimately the dispute will be resolved by this Legislature."

This afternoon, the member for Leeds (Mr. Runciman) was pleading for this Legislature to resolve a dispute between elected parties; whether it be the elected board or the elected representatives of the teachers, that member was begging this Legislature to resolve that dispute.

I am disappointed with this minister. I am going to come back in a few moments and say why, because I gained a great deal of respect for her over the Sudbury situation, which was tough. It was 56 days long; this one is 25 days. It was 25 days when the minister finally got a notification from the ERC and with 11 days left to go, some of it examinations and so on, and the minister moves then when there is an indication that there is no jeopardy—in fact, the Education Relations Commission says there is no jeopardy—she is prepared to move a piece of legislation that will send the whole matter to final-offer selection.

8:40 p.m.

I ask the minister seriously why we do not just get an omnibus piece of legislation which says that in all disputes, whenever the ERC says there is jeopardy or there might be jeopardy, we will invoke this type of legislation? We can do it like the ad valorem provision so that it just kicks in whenever the ERC says so; we are off to the races and we do not even have to come back here to get approval in this Legislature. That is what the minister is leading to; that is what she is setting the stage for.

I want to ask the minister how, in the next dispute when it gets to 25 or 26 days, she is going to be able to say, "No, I do not want to intervene."

Hon. Miss Stephenson: Sault Ste. Marie went 13 days, remember.

Mr. Martel: Yes. What did you do?

Hon. Miss Stephenson: I didn't do anything. They were legislated back.

Mr. Martel: I am saying that when there seems to be a logjam 25 days now becomes the time at which teachers will insist that the minister intervene; that is the watershed. That is what we were worried about, as she will recall, in the Sudbury legislation.

Hon. Miss Stephenson: There is no watershed. It has been all the way from 13 to 50.

Mr. Martel: I am saying the time the minister intervened. She did not intervene in the Sudbury one by legislation.

I want to know how the minister is going to say to one group, once the time comes that it has reaches 25 days, "I am not prepared to intervene on this one." What kind of rationale is that? There is no jeopardy in Leeds, and yet she is prepared to intervene because she has some pressure from the new boy. How in another situation is she going to be able to say no? It does not make sense. There is no jeopardy.

The minister is setting the stage for the twenty-fifth or the thirty-sixth day, whichever she wants to use as the watershed when she must intervene or she will have a lousy time trying to say no in all future disputes. She will have a terrible time saying to one of her own backbenchers or one of the Liberal members that it is time to intervene. How is she going to say no when she does not have jeopardy in this one and she is intervening? How is she going to refuse to intervene in another dispute, because the ERC might say, "Down the road there might be jeopardy; the House is sitting"?

We know that the House can come back. I have had to come back more than once in my 14

years here on legislation to return certain groups of people to work. She simply has nothing to stand on. She has set the watershed now at 25 or 36 days, and I want to know how she is going to say no to someone else, particularly when there is no jeopardy involved in this one.

What worries me in addition to that is why anyone should negotiate under these circumstances. If that situation arises—and I heard the members this afternoon say they were not prepared to negotiate—does the minister think a piece of legislation before this Legislature is going to force them to negotiate? All either side will do is just sit back and say: "No, it is going to be resolved. Why should we give an inch? Why should we negotiate any differently than we have for the last 17 or 18 months?"

Meaningful negotiations are finished. I hope some of the government members realize that, because if I did not want to get involved in surrendering managerial rights with respect to classroom size I would sit tight. In sitting tight I know that during the first week of September the bill will get royal assent; somebody is going to resolve the dilemma for me, and collective bargaining goes down the drain. That is what the minister is doing.

This is why this is such a crazy piece of legislation. I stand in my place tonight, knowing that to encourage this minister to withdraw the bill is a waste of time. She will not, even though there is no jeopardy. She will not, even though it will destroy collective bargaining. It will not matter, there will be no collective bargaining. We know that in the Sudbury situation every time the member for Hamilton West (Mr. Smith) called for return-to-work legislation, the negotiations just died for a week to a week and a half.

The minister can go and check with the teachers' association if she wants. Because they anticipated return-to-work legislation, they just sat tight and it was always a tremendous effort to get going again. If she does not agree with me, she can go and talk to the teachers' federation, of which she is a member.

I want to turn to the Sudbury strike, because I was heavily involved in it.

Mr. Kerrio: No one cares about the children.

Mr. Martel: That is the sickest thing I have ever heard. If the member is telling me that teachers who are involved in a strike do not care

about the children, there is something wrong with him. There is something terribly wrong; he is a bit of a sicko, I suggest.

Mr. Kerrio: That is sad.

Mr. Martel: Yes, that is sad.

The Deputy Speaker: Order, please. Mr. Kerrio, you are being provocative.

Mr. Martel: If he is telling me that teachers, who spend night after night preparing, who work on weekends, use children as whipping boys, I think there is something sadly lacking in him.

Mr. Kerrio: The children suffer.

The Deputy Speaker: Mr. Kerrio, we have been getting along so well here since eight o'clock and you are not helping matters any.

Mr. Martel: Let me say to the member that if, in a career that extends 14 years from the time a child starts school, possibly 15 if the child goes to junior kindergarten, till he or she gets out of secondary school, a month-long strike is the thing that is going to ruin a child's education, then I want to tell him the educational system is in bad shape. It is in bad shape, if one month in 15 years is going to ruin an academic education. If so, then hell, we had better start all over again.

Mr. Kerrio: A good idea.

Mr. Martel: We had better start all over again, because I tell the member there is more to it than 20 days. In fact, frequently parents take kids out for two weeks to go off to the Caribbean, or they take them out a week early at Easter to go down to Florida. Kids miss time all over. No one likes a strike, no one really wins in a strike, but there comes a time in all situations where there is no alternative and that is when the crunch comes. Certainly it is an economic war, that is what it is all about, all strikes are. Interestingly enough, most of them are not over wages. That is something my friends to my right might learn, most strikes are not over wages.

Let me deal with the Sudbury strike, which was 56 days or 54 days long.

The Deputy Speaker: Mr. Martel, keep—

Mr. Martel: I am speaking on this bill, Mr. Speaker.

The Deputy Speaker: I was just going to bring your attention to it.

Mr. Martel: I am not straying from the bill. It is a return-to-work piece of legislation. I simply draw your attention to a strike that went on for 56 days. There was no jeopardy declared and

the minister was not prepared to intervene. We encouraged her not to and, to her credit, she did not. I am amazed that she is intervening now.

That is what I want to talk about, that with a 56-day strike the pressure was great on all of us. Do members think we were not receiving phone calls and letters regularly? Certainly we were. A strike is not an easy situation. We talked to the minister almost daily. We indicated to her we would not insist on return-to-work legislation and it got tough as it got down to the thirty-fifth and fortieth days, but I have a profound respect for the collective bargaining process. In the final analysis, for working people, that is the only answer. Every time we are prepared to intervene, we destroy that a little bit.

8:50 p.m.

We felt legislation was not necessary because there is an elected board and an elected group of teachers. If the pressure should come, it should not be on this Legislature; it should be on those board members and on those teachers locally. In the Sudbury area, we encouraged teachers to set up forums and to invite the board and the parents so each side could present its position. At the end of about the fiftieth day, my colleagues and I called a meeting in Sudbury and there was teacher bashing galore. It was the sport. We called the meeting and put it on all the media. We got a big hall and after 50 days of strike 50 parents, at most, 50 teachers and one board member showed up.

Interjection.

Mr. Martel: Do not tell me about negotiations. I am talking about 50 days of strike, my friend.

Hon. Mr. Sterling: I am telling you what happened in Kemptville. They had 200 parents there.

Mr. Martel: That is good. I hope they would then start to apply the pressure to both sides equally, so that it does not become teacher bashing.

Hon. Mr. Sterling: They did.

Mr. Martel: Obviously they did not, because here we stand tonight with a piece of legislation, trying to resolve the dilemma the elected board members and teacher representatives have not been able to work their way out of. That is the issue and that is where the pressure should be. It should not be here, particularly when there is no jeopardy. It might be a horse of a different colour if we were talking about jeopardy. Does

the minister understand the bill at all? We are talking about the group that is there, supposedly to protect kids, saying there is jeopardy. They are saying there is not. Does the minister understand that?

Interjection.

Mr. Martel: No.

Mr. Jones: The kids are in the vise.

Mr. Martel: Turn to point 25.

Mr. Jones: You are saying it should not be here.

Mr. Martel: The pressure should be up there, right on; that is where it should be resolved. Once we get jeopardy, then this place acts if it wants to act, but not before there is jeopardy. Does the government not believe in its own legislation?

Mr. Bradley: No, it flouts it.

Mr. Martel: The member wants to remove a whole year.

The members opposite do not believe in their own legislation. They are being bamboozled, because if that is the intent of the act, what the hell are we doing here tonight?

Mr. Jones: We understand Bill 100.

Mr. Martel: The member cannot understand it very well because the minister is getting her way when there is no jeopardy. We have come back in September before. We came back in September for the Toronto Transit Commission workers a number of years ago.

Mr. Cunningham: The NDP opposed it.

Mr. Martel: Certainly I opposed it, because I oppose any interference in collective bargaining.

Mr. Renwick: But we came back in September.

Mr. Martel: We came back in September. That is the key issue. If the minister wanted this legislation to go through when there is jeopardy, that is when she brings the House back. She should not say if there is jeopardy somewhere down the road we will give a bill royal assent and then we will move in. What kind of legislation are we prepared to set, not only here but everywhere else? If something is going to happen, we are going to have a piece of legislation ready somewhere down the road. That is nuts.

I applauded the minister in Sudbury when she would not interfere. I said it publicly and she knows it. When things got tough enough, the minister said to both sides: "Come to Toronto. I

want to talk to you." In a marathon session, which the minister attended for most of the night, she managed to get both sides to agree and there was no intervention. That is the way it should work. However, we are not prepared to do that here and that is what bothers me. As I say, Sudbury was 56 or 54 days. They steadfastly refused because there was no jeopardy. Here, without jeopardy, the government is prepared to move in. I cannot understand what it is all about. I really cannot.

Hon. Miss Stephenson: Each comes on its own merit.

Mr. Martel: I have read the material the minister has put before me. What merit? They say one has to have it because the House will not be sitting. That is nonsense. They are also saying the sides are not negotiating very well. One might ask the member for Sudbury (Mr. Gordon) if they were negotiating very well in the Sudbury strike for a while. They would not even talk to each other for great periods of time. They were running ads against each other.

Hon. Miss Stephenson: And the member calls that responsible collective bargaining?

Mr. Martel: No, I did not say that. One cannot have it both ways. The minister said the circumstances are different. I tell her that is nonsense. We saw what went on in Sudbury. We saw the ads both sides ran. It was vicious; it was distorted. But they got out of it and now they have a collective agreement this year, which we will not have next year when the government forces this through. If the government forces this one, they will be right back at it a year from now. If they have not had to work their way out, within a year of forcing this they will be back at it. In Windsor that has happened more than once. They have to work it out themselves. That is what the collective bargaining process is about.

The minister is here tonight conning her colleagues. I have talked to many of them. They do not want this bill but they are not prepared to move against the minister. I have phoned some of my friends in that area. They tell me teacher bashing is the name of the game now. We have found that in Sudbury. But after a tough year they are now negotiating and they have a contract. It was just this week the public school signed, as did the separate school, and they were on the verge of strike.

But without jeopardy the minister is prepared to intervene. I cannot understand how she can do this after Sudbury—after 54 or 56 days of

some of the most vicious ads and what not. There is no difference. I will give the minister a chance to tell me what is different.

Hon. Miss Stephenson: What kind of an effect did that have on the kids?

Mr. Martel: I hope we will get a report on what happened to all those kids who went on to university and community college this year. I hope the ministry is following that to find out how many failed in first-year university or at the community college.

Mr. T. P. Reid: The ones who dropped out did not go back.

Mr. Martel: We have said to the minister, "If there is jeopardy come September, bring the House back." The minister is not prepared to do that. She has listened to the Education Relations Commission, which says there is no jeopardy, but she is prepared to move in. One cannot use the kids that did not make it. The government can bring this House back any time it wants. That is not a legitimate argument. There is no jeopardy; therefore, we should not be debating. The minister knows it and I know it.

I do not know where the pressures on the minister are coming from, but she was much tougher in Sudbury and I gave her credit for that. My two colleagues and I never once asked the minister to bring in legislation. We were facing the heat tougher than the minister's friend in the back row there because it was 54 days.

Hon. Miss Stephenson: I am sorry, but neither did my colleagues ask for it either.

Mr. Martel: No. I would like to know then who is getting to the minister. I heard them say this afternoon it was the only way it would be resolved.

It is interesting that the issue in that strike, as I understand it, is really classroom size. I am also told the Leeds-Grenville board spent about \$2,350 per student, which is about \$300 less per student than the provincial average for last year. I am intrigued by this because of what I read. The minister indicates she was misquoted, and I will accept that.

9 p.m.

She knows the document I am referring to. I have it in my hand. It is called News Today, and it says: "It makes no difference whether there are 50 or 15 students in a class so long as the teacher is qualified. There is no evidence that smaller classes create better education." As a

teacher, I disagree with that totally. It certainly makes a difference whether there are 50 or 15 students.

What is interesting is that we had a commission headed by Dr. Jackson and he made some very profound statements. He got in trouble a couple of times for some of the statements he made.

Hon. Miss Stephenson: With you.

Mr. Martel: With us, yes; I was just getting around to that. The minister did not let me.

He made some statements that a lot of people were not prepared to accept, particularly as they pertained to females. He got into a lot of hot water over that, but Dr. Jackson also recommended certain things pertaining to classroom size.

An hon. member: Because of declining enrolment.

Mr. Martel: Declining enrolment; all right, because of declining enrolment, he told the Minister of Education the type of funding that she should continue to put into the educational system. I think he said she should not reduce the amount because of the declining enrolment. It was something to that effect and the minister can correct me if I am wrong. I think he said something to that effect.

It is to the government's advantage. We know that in most arbitrations which occurred I do not think the arbitrators really wanted to get involved in classroom size. They shied away from it.

If the government is not prepared to fund it adequately, and that is the issue down there, then it is to the government's advantage to send it to arbitration, because the arbitrator will not intervene. He will leave things as they are. The province, as it has for two or three years now on declining enrolment, has failed to respond. What a better way—

Hon. Miss Stephenson: I am sorry, but you are wrong. I said what?

Mr. Martel: I do not think the government has done much to offset the declining enrolment.

Mr. T. P. Reid: Do you expect us to go out and populate the world?

Hon. Miss Stephenson: My colleague has produced five children almost overnight.

The Acting Speaker (Mr. Cousens): Order.

Mr. Martel: He is fast. He is the fastest man in all Mexico.

Hon. Mr. Timbrell: I was only there once for three hours in Tijuana.

Mr. Martel: It is to this government's advantage; if teachers were to start to win that battle about improving the classroom size, which would lead to improving the quality of education, funding would have to come from somewhere. We know that arbitrators, by and large, have not dealt in that area.

If that is the key issue—really the issue that is the stumbling block to making progress—it is to the government's advantage then not to have it resolved by negotiation. If they had to give a little—

Hon. Miss Stephenson: I would be delighted to have it resolved.

Mr. Martel: Well, then, I suggest to the minister if she wants it resolved she should tell them, as her colleague did when the Education Relations Commission said—

Interjections.

The Acting Speaker: Mr. Martel has the floor. Miss Stephenson, you will have an opportunity to respond.

Mr. Martel: When the ERC told the former Minister of Education (Mr. Wells) that they thought there was jeopardy he ordered both sides back to the bargaining table. The government does not have jeopardy and the ERC says they do not have jeopardy and the minister is prepared to intervene.

Hon. Miss Stephenson: He is being silly, Mr. Speaker.

Mr. Martel: I am what? Why?

Hon. Miss Stephenson: You say forcing them back to the bargaining table.

The Acting Speaker: Order. Mr. Martel has the floor. Please allow him to continue.

Mr. Martel: Mr. Speaker, excuse me for a moment, I am looking for the minister of the day's statement. He said: "I have received a communication from the ERC. The dispute needs to be resolved promptly for the students' sakes and because of the disruptive effect on the communities involved. I urge you most strongly to take steps to resume negotiations at once to resolve the dispute within the options available under Bill 100. Both parties have a clear responsibility to proceed immediately in this matter. The Education Relations Commission stands ready to assist. It is not the intention. . . " and so on.

The former Minister of Education (Mr. Wells) told them to get back to negotiating. I am reading from his statement. Why does the minister not do it? Why does she not tell them

she is not prepared to intervene because there is no jeopardy and to get back to the table? But no, she is going to come in here in a high-handed fashion and ram through a piece of legislation that is not even called for under the present legislation, Bill 100. There is no jeopardy; therefore, it is not called for.

She can stand there and say yes till hell freezes over or nod her head. She knows there is not.

Hon. Miss Stephenson: No, I do not.

Mr. Martel: It is just ridiculous that we are even here tonight debating this bill. When jeopardy comes, that is when she should decide to act and bring the House back, not before then.

The Minister of Labour (Mr. Elgie) and the Minister of Health (Mr. Timbrell) could be doing that every day. Everybody over there could bring in a piece of legislation to avoid something that might happen somewhere down the road. That is what the minister is doing. Something might happen somewhere down the road; so we put a piece of legislation into effect. If it does happen, we give it royal assent and we send it off to final-offer selection. She is heading off something that might occur.

I see the minister shaking her head. It says right in here, "While it is our opinion there is an absence of compelling evidence that jeopardy exists at this precise point, we feel that the government should be in a position to respond without delay should it become clear to the ERC that the continuation of the sanction will place in jeopardy the successful completion of courses of study by students affected by the strike." Should jeopardy occur, we want a piece of legislation in place to head it off. If we started doing that in every field—

Hon. Miss Stephenson: I am not asking you to do that.

Mr. Martel: No, I know she is not asking anybody to do anything. She is saying that she is prepared to intervene even though there is no jeopardy. I can understand the minister's willingness to do that, because the best way for the government to handle anything that deals with classroom size is to have it sent to arbitration and, therefore, arbitrators do not rule or deal with classroom size, by and large; so then she does not have to cough up any more money.

Having watched this minister in the Sudbury strike when she took a tough stand and was not prepared to move—in fact, she had not called or considered jeopardy after 54 or 56 days—why

she is doing it now, with two and a half months of possible negotiations before that event occurs, really disturbs me to no end.

I wish she would withdraw the bill, leave it on the Order Paper and indicate that if jeopardy is declared she is prepared to ask the Premier (Mr. Davis) to bring the House back immediately and everyone will come back. I urge her not to proceed unless she can show us there is jeopardy beyond a shadow of a doubt.

What she is doing is wrong. It is wrong with respect to Bill 100. It is wrong from the point of view of meaningful collective bargaining. I think she understands that—at least in the Sudbury situation she did. I do not know what has changed her so dramatically that she is prepared to intervene at the first outset.

I want her to explain to me what the difference is so that I will understand the difference, because in the material that has been presented to me there is nothing different.

Mr. Gordon: Mr. Speaker, I have to stand and speak against this bill for very clear reasons I want to enunciate to this House, one of the first reasons being that I think it flies in the face of Conservative principle and philosophy. We in this party believe in the individual, and we believe the rights of the individual must be cherished and protected at all costs.

As well, we believe in the rights of the groups in this province. That is one of the reasons Bill 100 was such a progressive bill and is still a very progressive bill. It was brought in by a Conservative government, a government that believed certain groups—in particular, the teachers—should be given the right to strike and to have collective bargaining with those elected people, the boards of education.

9:10 p.m.

There are certain rights; there is freedom of speech, there is the right to assembly and there is the right to bargain collectively. This is a very important principle we have here, and it is one we cannot just let slide by at this particular moment.

As Conservatives, we believe in less government, not more. As Conservatives, we believe in less legislation, not more. I say, let these parties work this problem out between themselves. One of the problems that occurs when collective bargaining does not work out to its complete fruition is that it leaves a great deal of bitterness and misunderstanding behind. I am very fearful that in this case we are unwittingly going to establish some very real problems in Leeds-Grenville.

Some of our colleagues on the other side, particularly the Liberals, seem to feel that collective bargaining should always work very smoothly; they seem to feel there should be no problems, no warts or no pimples. I am not surprised that the Liberals have taken the tack they have taken, because they really have not shown themselves to be people who are interested in the rights of the working people of this province. They are not interested in these teachers, and they are not interested in that board. I do not think that board, any more than those teachers in Leeds-Grenville, wants to have this particular bill. Deep down, they know too that in the years ahead it will create problems.

I do not see how the members opposite can take any pride in the particular stand they are taking. It is a very negative stand. Not only that, but also I think the very fact of the matter is that it was a Conservative government that brought in this bill, and that is why I am supporting Bill 100.

Mr. Bradley: We didn't bring in the legislation; the Minister of Education brought in the legislation. Direct your comments to her.

Mr. Kerrio: Are you confused about who brought in this legislation?

The Acting Speaker: Order.

Mr. Gordon: It has been made quite clear that there is no jeopardy in this case. There is no jeopardy for the students for the year that has just been completed. That is one of the key provisions of the bill. Nor is there jeopardy in the event that these two parties are not able to come to terms over the summer.

What is much worse for students is when their school year is broken up in the middle. Any of us who are parents and have experienced a teachers' strike know what its effects are. I, as a parent, have experienced a teachers' strike; I have had my children at home as a result of that strike and I have seen the problems. But it is much worse when it breaks things up in the middle of the year. We do not have that situation right now; so I cannot support the bill.

Mr. Kerrio: Mr. Speaker, we find ourselves on the horns of a dilemma as it relates to this problem. I baited the member for Sudbury East and for that I am sorry, because he did make some comments that were worth listening to.

However, the comments by the member who has just finished speaking really strain one's credibility. I cannot believe that, unless we have a new system of schooling, we could allow some

youngster to go through the school system and be exposed to this kind of situation, which could happen more than once.

There is no guarantee that a young person is going to be involved with only one strike along the way; it could be, if he has an unfortunate circumstance, that at various stages of schooling he could be involved in three or four strikes and that in each situation someone might decide the young person's education is not in jeopardy. I cannot believe that good-thinking people would say such a young person's education was not being jeopardized.

We have gone to great lengths in this Legislature to accommodate those people who have learning disabilities, and we are talking about new ways to make certain a young person gets an education. There is only way one can be certain that a young person is going to get an education, and that is if he is attending school.

I buy the whole philosophy of people who work hard for the whole procedure as it relates to unions and the work place; I think it is worthwhile where there is a product. But when we take a product away from a community, I cannot believe we can talk in terms of rational bargaining when the children's education and their whole future are involved. I cannot believe anyone who ever taught could even consider that a child out of the classroom does not have his whole education process in jeopardy.

Interjections.

Mr. Kerrio: No, there is no way.

There are two or three other facets of this that have added to the whole problem. In the last few years with this new system a whole executive branch has been added that takes big money away from many of the classroom teachers who should be getting it. If Bill 100 had to be eliminated, with that would be the responsibility of paying teachers a fair salary.

I find no argument there whatsoever. But I think we have strayed so far from meaningful legislation we have had to accommodate Bill 100 by putting in a system where one does not know whether the children's education is jeopardized. If there were a testing system at each stage one would know very well whether a student's education had been jeopardized.

We have forgone all of that. That new executive branch in the school system does not suffer when the teachers are on strike. But I cannot believe anyone would criticize me for suggesting the children suffer in a way that is unconscionable and we should not put up with it any longer.

Mr. Renwick: Mr. Speaker, I want to speak briefly on the bill, because in this party we have had a long history of speaking against this kind of legislation.

I want to spend a moment or two about my concerns on the bill. I cannot speak with the eloquence that comes from the intimate knowledge of the educational process that my colleague the member for Oakwood (Mr. Grande) or the member for Kitchener-Wilmot (Mr. Sweeney) can speak with. I certainly cannot bring to it the intensity of feeling that our House leader, the member for Sudbury East (Mr. Martel), can bring to this issue.

For a moment when the member for Sudbury was speaking, I thought there had been no change; that he was perhaps on the wrong side of the House. I could almost hear my former colleague and member for Sudbury, Bud Germa, when he spoke about these matters.

I do not know whether the Minister of Labour (Mr. Elgie) is sitting there to make certain the member for Sudbury toes some line or whether the Minister of Labour wants to associate himself by proximity with the remarks made by him. I assume it is the latter. I assume he knows as well as I do what I will say in a moment or two.

Hon. Mr. Elgie: I just came to say hello.

Mr. Renwick: As a member for eastern Ontario—and for me eastern Ontario is east of Yonge Street—this kind of bill would not be tolerated in any builtup area of the province. We have seen this before. It does not matter where the union movement moves, the Tories will attack it in the places it is weakest. We saw it in the Proctor-Silex strike, and we saw it in Peterborough years ago. This is not only an attack but also a subversion of the government's own legislation.

If I were the member for Carleton-Grenville or the member for Leeds, the last thing I would want would be the intrusion of this government into a local matter. The incumbent members have to understand that is exactly what is happening: an intrusion into the affairs of the Leeds-Grenville area with respect to this legislation.

I cannot follow the tortured logic of the member for Brant-Oxford-Norfolk (Mr. Nixon) as to the conclusion he arrives at, but I am fundamentally impressed with the position he took in the early part of his remarks, which was to emphasize a great deal of what had been said about the bill by my colleague the member for Oakwood.

9:20 p.m.

What this bill does is to prejudge what the Education Relations Commission is supposed to do. Everyone quotes the statement made in the letter to the minister. I would be interested if the minister would perhaps nod affirmatively or negatively by raising her head and nodding it vertically or horizontally as to whether there was any discussion prior to this letter being written by the Education Relations Commission to the minister. Was there any prior discussion by the ministry or anyone in the ministry with anyone within the Education Relations Commission or on the staff of that commission?

The minister leans forward and puts her elbows on her desk. That is a very ambivalent response. I trust somewhere we will learn the answer to that question.

Hon. Miss Stephenson: The Speaker told me to be quiet.

Interjections.

The Acting Speaker: Order.

Mr. Renwick: The letter is too clever by half, and that is where the minister is stuck with the bill, because the obligation of the Education Relations Commission under the statute of this assembly is to determine jeopardy. I do not need to say it any more than anyone else has said it.

Mr. Kerrio: I don't think they are really stuck with the bill.

Mr. Renwick: Pardon? Oh, it is the member for Niagara Falls. I remember, he is the counsel who carries the crippled child into the courtroom to persuade the jury he should get a large award of damages. We are familiar with that.

Mr. Kerrio: No, I do not hobnob with lawyers.

Mr. Renwick: I know very well what the honourable member does all the time when he stands in this House. When he stood in the House tonight, what did he do? He said strikes were jeopardizing the education of children. He gave no single example of any kind where any child has been disadvantaged in his education.

He turned it around in a minute or two so that he would be not against the teachers but in favour of them. He started talking about the large number of dollars that were paid up in the other echelons of the education circuit.

The Acting Speaker: Carry on, Mr. Renwick. Let us not be—

Mr. Renwick: I was really speaking to you, Mr. Speaker, not to the member for Niagara Falls, but I have heard him on bills night after night with this trying to play both sides of the

street. It may be possible in Niagara Falls; it is not possible in Riverdale. I want him to understand that.

I want to come back to what the bill is trying to say. The bill is saying the prejudgement by the commission of the fact there will be jeopardy, regardless, on the day after Labour Day is going to bring this bill into effect. What the member for Brant-Oxford-Norfolk said was that there is no single occasion when the Education Relations Commission has ever exercised the power given to it to determine jeopardy. The minister objected at that time, and I will listen carefully to the number of occasions when the Education Relations Commission has had the determination to carry out the intent of the legislation.

The member for Brant-Oxford-Norfolk and I may not be up to every minute detail, but there have been very few cases, if any, of the exercise by that Education Relations Commission of its fundamental obligation. What have they done? They have said they cannot now indicate jeopardy but that somewhere down the line there will be jeopardy. The minister has said that date of jeopardy is going to precede Labour Day. The bill is going to be proclaimed by that date whether or not the Education Relations Commission makes a determination about jeopardy.

As I read the bill, if the bill does not come into effect in advance of Labour Day, it is no good. It cannot come in on September 10, September 20 or September 30. It must be proclaimed prior to Labour Day by the government. That is a prejudgement of a state of jeopardy in the educational system which the Education Relations Commission must make and nobody else.

If there is an agreement between the minister and the commission that before Labour Day there will be a declaration of jeopardy, then I say that is a conspiracy to subvert the legislation, because that time has not come and the circumstances in which that decision will be made have not yet arrived.

I want to quote from the letter of the Education Relations Commission. Everyone else has quoted it; presumably somebody could put together all the pieces of this letter that have been quoted by various members of the House and one might have the whole of the literature, but we do not need to have it, because the minister read it into the House when she made her opening statement.

The Education Relations Commission asked that "the proclamation of legislation by the

Lieutenant Governor in Council be deferred at least until such time as an advisement under section 61(1)(h) is tendered by the commission." The bill does not say that. The bill says it will come into effect by Labour Day whether or not the commission makes any such determination.

Hon. Mr. Sterling: On a point of privilege, Mr. Speaker.

Mr. Renwick: I have never heard of a point of privilege in the midst of a debate, but I will listen to it. If the member wants to ask a question—

The Acting Speaker: Mr. Sterling has the floor.

Hon. Mr. Sterling: On a point of privilege, Mr. Speaker: I was just reading the bill, and I ask the member to point to the section he is referring to when he says it has to be proclaimed before September 1.

Mr. Renwick: I understand my colleague the member for Kitchener-Wilmot wants the bill to go into committee, and that would be an appropriate place to deal with it.

Let me simply say that the operative provision of the bill is section 2. That is the section that requires the resumption of employment and the operation of the schools and that must take place: "The teachers who are on strike against the board shall, on the first school day following the day this act comes into force, return to and resume their duties in accordance with their contracts of employment..." That is Labour Day, the day when the schools reopen. That is the purpose of the bill. Then it later says, "This act comes into force on a day to be named by proclamation of the Lieutenant Governor..."

Hon. Miss Stephenson: It can be any day.

Hon. Mr. Sterling: It could be any day.

Mr. Renwick: It could be any day, but the member knows as well as I do—

Hon. Miss Stephenson: There is no date in the bill.

Mr. Renwick: The minister knows as well I do that what she is talking about—oh, come on, let's not kid ourselves.

"Despite this danger"—I am quoting from the letter—"there is an absence of convincing evidence that jeopardy to courses of study exists at this time." Then it goes on: "For this, and other reasons, it would be inappropriate for us to declare jeopardy at this moment. Nevertheless, the commission has consistently followed..." and so on. "That is, our concern relates to the unique aspects of this particular sanction, viz. the possible continuation of the strike into a

new school year after the loss of a considerable number of school days in the current school year and without any indication of a future settlement point."

What is the minister talking about? She is talking about Labour Day and the day after it.

Hon. Miss Stephenson: No.

Mr. Renwick: Then if she is not, she destroys the purpose of her bill, because the House can be called into session at any time. She does not need to have the luxury of sitting around waiting for us to decide what the decision is going to be. She wants to be able to decide it without any further recourse to this assembly at present. The minister knows that.

The minister wants to deny that what they are talking about is making certain that the day the schools resume, the teachers will be back in the schools and the schools will be in operation. Is that not what the minister is about?

Mr. Martel: That is why she will not answer.

Mr. Renwick: I do not know. The minister somewhere will answer to it.

Mr. Grande: She made a statement in Ottawa about that.

Mr. Renwick: That is exactly what it is about.

Hon. Mr. Sterling: That is what we would like.

Mr. Martel: Oh, so that is what they would like. I am glad to hear it.

The Acting Speaker: Order.

9:30 p.m.

Mr. Renwick: If the minister is saying to this assembly that she is going to await a determination by the Education Relations Commission that that question will not be affected at all by the resumption of the school year, then there is absolutely no reason for this bill. It is not interfering with my convenience, I can assure the members of that; it is not interfering with the convenience of any of the teachers; it is not interfering with the convenience of the school trustees in the area.

Is it interfering with the convenience of the government? Is it that the government does not want to have the assembly called back into session to deal with the bill? The government may not have mentioned Labour Day in the bill, but that is what it is all about, and they know it as well as I do.

Interjections.

The Acting Speaker: Order.

Mr. Renwick: But I want to underline simply for my own satisfaction, if I can, the point that was made by the member for Sudbury East: the moment you interfere with the collective bargaining system in this way you destroy the effectiveness of that system of settling disputes.

The question for the member for Leeds (Mr. Runciman) and the member for Carleton-Grenville (Mr. Sterling) is: Why would they want this government to intrude in their area on a matter that is a basic local and particular concern? Why do they not—

Hon. Mr. Sterling: Because they have been negotiating for 18 months, that is why.

Mr. Cooke: What is wrong with negotiating for 18 months?

Mr. Renwick: Of course they have been negotiating for 18 months. But where is the public pressure, where is the sense of community? Does nothing ever bring anything to bear on the school trustees or the teachers in that area? Does nothing happen? And do they not come to the bargaining table to bargain in good faith?

Hon. Mr. Sterling: No, they do not.

The Acting Speaker: The private dialogue is not needed. Mr. Renwick has the floor.

Mr. Renwick: I know. Actually, I am having a dialogue with you, Mr. Speaker.

All I want to say to the member is that he is making a fundamental mistake in allowing this government to intrude into his local area. This would never happen in any of the school boards in the Metropolitan Toronto area or in any of the other areas across the province where there is a significant concentration of people. The member knows that.

I cannot believe that a government would pass a bill such as Bill 100 and then move by this kind of legislation to subvert the very purpose for which that commission was established.

I and, I am sure, many of my colleagues share many of the views expressed by the member for Brant-Oxford-Norfolk, that the solution of the problem was that there had to be a determination of jeopardy. And I will not let the Education Relations Commission off the hook by letting them prejudice and have available to them legislation that will permit them to say, "Yes, there is jeopardy," and then have the legislation come into force. That is a destruction of the right to strike which we provided in Bill 100. It is a destruction of the principle on which the bill was going to operate, and it is a destruction of Bill 100.

If I were a member of the Ontario Secondary

School Teachers' Federation, I would be very seriously concerned as to whether this is a stage-by-stage and step-by-step method of persuading the public in Ontario that somehow or other the public service of Ontario should not be given the right to strike. We are seeing that attacked every place and everywhere. We have stood in our places for many of these back-to-work bills; we have fought them and we have voted against them time after time.

But time will tell that the solution in Bill 100 should not be tampered with by special legislation in an isolated case in this assembly at the end of a session before a summer adjournment on the excuse that somehow or other we are going to adjourn. Every member of the assembly is available to be recalled at any time. The matter can be dealt with in this assembly in the light of the facts as they then exist, and we are not going to prejudge these situations.

I do not know where the government is going on these issues. The Minister of Health (Mr. Timbrell) is here. We will have another go at him tonight because what he is trying to do is to pre-empt for himself the same kind of right to determine this kind of problem.

I would ask many members of the assembly, including members of the Conservative Party, to vote against this bill.

Hon. Mr. Sterling: I think some of the facts, which should have been brought out earlier in the debate, should be laid on the floor at this time.

First, I hope everyone is aware that there is a declining enrolment in the secondary school system in Leeds-Grenville. Teachers are asking for smaller class sizes, not without some sympathy from parents' groups. In fact, parents' groups are pretty evenly balanced between the boards and the teachers. If class size is limited as indicated in the negotiating position, eight to 12 teachers who would have lost their positions this year will be retained at a cost of somewhere between \$250,000 and \$500,000.

I do not think we in this Legislature should debate whether class size is or is not an educational issue. That is what the board and the teachers are going to decide in the end in their agreement. In my personal opinion I think there is some truth to the idea that class size probably does have some effect on the quality of education in some cases. However, in some cases it would not have any effect. For instance, I do not think class size makes that much

difference in more mature classes, in scientific classes, or in mathematics classes. That is my personal opinion.

Mr. Martel: Where are you from?

Hon. Mr. Sterling: I am from Carleton-Grenville.

Mr. Martel: What great knowledge of yours allows you to make a determination on whether it makes a difference or not?

The Deputy Speaker: Order.

Hon. Mr. Sterling: I have a bit of education in my background. My wife happens to be a high school teacher who taught for eight years in the system. My mother was a teacher, my aunt was a teacher and my father was a school principal. How many more teachers can one have in a family?

The Deputy Speaker: On Bill 124.

Hon. Mr. Sterling: They were asking for my experience, Mr. Speaker, in terms of this legislation.

The Deputy Speaker: Deal with the bill.

Mr. Martel: You picked the worst subject you could have picked. If you had said history, everybody would have agreed with you.

Hon. Mr. Sterling: That is probably because the member across the way does not understand mathematics. Class size is the issue in this particular matter.

The member for Leeds (Mr. Runciman) and I also met with teachers of the Ontario Secondary School Teachers' Federation last week. They laid three issues on our table. First, they asked that they be allowed to bargain for the next two or three months without this legislation coming into effect. I must say that stance has some attraction. However, the fact of the matter is that the parties have been bargaining for a period of 18 months.

Richard Jackson in his report of June 4 said: "It is my belief that after 17 months of bargaining, after strenuous efforts by three mediators and after a strike which as of today will cost 20 school days, the parties are now no closer to settlement than they were when the strike began. Indeed, on the major issues they are considerably further apart. I reluctantly concluded that without strong action the parties would not be able to resolve this dispute."

I think that sums up the feeling of both the member for Leeds and myself in terms of having something that will force the two parties together to bring an end to this dispute.

9:40 p.m.

The question put forward by the teachers who visited us in our offices was whether we thought any bargaining would go on when the bill was passed. My response to them was, and it would still be, that no less bargaining will go on than has gone on in the past.

One of the other two issues raised by the teachers referred to their desire to have binding arbitration instead of final offer selection. In its letter, the Education Relations Commission indicated final offer selection was the most desirable way. The issue was raised by the member for Kitchener-Wilmot (Mr. Sweeney) that there were still 35 issues on the table. When confronted with this matter, the teachers did acknowledge that. Although they had not signed off on those issues, most of the issues save two, money and class size, were informally agreed upon.

The other matter brought to the fore was the length of contract; they want two years instead of the three years in this bill. I can see that in terms of the final offer selection process neither side wants to be bound to a contract for three years. But we must remember that this contract will go back more than one year, and to throw the parties back into this same process after one year would be very detrimental to both sides.

I also want to indicate that it is the teachers and the board who are in jeopardy with respect to final offer selection. The board should understand, when it is trying to reach a conclusion in the summer, that it is not the intention of the Minister of Education to bail the board out with additional funding to cover off what it may or may not lose because of the board's bad faith or putting forward a ridiculous position when it comes to final offer selection.

As I said before, the parents in the area are very concerned about the extension of this strike. While the ERC did not find jeopardy, I have had talks with some of the teachers, some of the principals and some of the grade 13 students in the area, and I do not agree with that. I have to agree with the member for Kitchener-Wilmot; I think there has been jeopardy. In particular, I think there has been jeopardy for students who are going on to university. They were taking courses that are normally extended as a continuation of the grade 13 program. I do believe the strike has already caused considerable detriment to the students of Leeds-Grenville.

I sum up my remarks on this bill with this comment. I received a call a few days ago from a concerned parent who had attended a meeting

at Kemptville, where 200 parents gathered to meet with both the trustees and the teachers. Interestingly, the teachers came off the best at that meeting. The caller related to me that he was pleased with the actions taken by the Minister of Education and urged me not to support in any way any backing off of the position of this government on this matter.

Mr. Cooke: I am going to be very brief, Mr. Speaker.

Applause.

Mr. Cooke: The members opposite have taken all the time tonight, not us. It has been the government's speakers trying to defend an indefensible position.

Hon. Mr. Ashe: It's a point of view.

Mr. Cooke: I want to say a few words because as a former school board trustee I was involved in a few teacher-board disputes in the Windsor area. I think the Windsor experience should teach the minister what can happen when legislation comes forward and what would happen if the minister said tonight this bill was not going to go forward and it was the responsibility of the teachers and the board, and not this Legislature, to settle their differences.

The minister can shake her head, but the former Minister of Education, now the House leader for the Conservative Party, understood the Windsor problem well. We had two strikes in two years when I was on that board.

When it was coming around to the third time, the minister and the chairman of the Education Relations Commission at the time said, "As far as we are concerned, Windsor can stay out on strike for a year, but we are not going to intervene." As a result of the clear indication from this government that there was not going to be any intervention, the Board of Education for the City of Windsor and its secondary school teachers signed a three-year agreement.

It was the first agreement they had settled in many contract negotiations without a strike and without legislation. I think the relationship between the Windsor board and the secondary teachers now is much better than it has ever been before.

In regard to the member for Niagara Falls (Mr. Kerrio) saying people do not care about the children, the fact of the matter is when arbitration or legislation is used to impose a settlement, the relationship between the board and the teachers and the morale in the classroom are such that the children continue to

suffer. It is not just when the strike is on, but it is also after the strike when the bad feelings continue.

The minister should say clearly tonight she will not just hold off this bill until September. That does not solve the problem. During the last strike we had in Windsor, four days after the teachers went out on strike the Premier (Mr. Davis) said publicly Windsor had had enough strikes and the government was only going to wait a little while and then it would bring in legislation.

As soon as that indication was out, the board at that point no longer wanted to negotiate with its teachers. I know that. We had plenty of committee of the whole meetings where we discussed the matter. Never once did we discuss negotiations with the teachers. It was always a discussion of how we could get the Premier and the Minister of Education to bring in legislation.

That is what this bill does tonight. They are not going to negotiate over the summer. I do not think the minister is so silly as to think the teachers and the board are going to sit down and truly negotiate over the next couple of months. If the minister believes that is going to happen, she is very naive.

Mr. Martel: They don't need the bill.

Mr. Cooke: That is right. If they are going to sit down and negotiate, then the bill should be withdrawn and they should negotiate without a gun at their heads. It worked in Windsor. It has worked in other areas in this province. There is absolutely no reason to bring in legislation. No jeopardy has been declared. With the teachers and the children on vacation, the minister brings in legislation ordering an end to a strike. It is absolutely ludicrous.

Hon. Miss Stephenson: The bargaining is also on vacation at the moment.

Mr. Cooke: The bargaining might be on vacation and it is going to stay on vacation because of this legislation. If the minister thinks they are going to go back and have serious negotiations, then she is out of her mind. She obviously does not understand what goes through trustees' minds and teachers' minds.

Why should anyone go to the bargaining table when this dispute is going to be settled in September with a form of arbitration which is ludicrous for the educational system? The final offer selection offers no sensitivity at all to the items in dispute in this particular teacher-board dispute.

I remember what the former Minister of

Education said after Windsor had settled its three-year contract. It was about two years ago. I went over and talked to him. His comment to me was, "The Windsor settlement is a vindication of Bill 100." That is exactly what it was. A teacher-board relationship that was the stormiest and the rockiest of any in this province was settled because the minister had the intestinal fortitude and the guts to say that the board and the teachers had to negotiate and settle their own problems. As one member of this Legislature, I only wish this minister had the same guts.

Mr. Breagh: Mr. Speaker, I want to speak briefly about the principles of this bill. I want to try to bring to the debate some slightly different perspectives. I do not support this kind of legislation basically because of the principle of the bill. I would not support it for hospital workers. I would not support it even for lawyers or for doctors or for any other workers in our society because it is basically an unfair piece of legislation.

9:50 p.m.

If the bill said, "Here is the settlement we are imposing," then I think that might be worth looking at. If the bill said to a school board, "This is the settlement we are imposing on your board," it would be worth looking at. I have seen this kind of legislation brought before the House on a few occasions and each time I find the bill by its very nature identifies the villains in the piece, according to the government. Each time I have seen this kind of legislation it identifies clearly that it is to force the teachers back to work.

It is not really legislation to force a settlement because a settlement is never a part of the package. Usually, as in this case, a mechanism is suggested that will produce some kind of a settlement. But the settlement is not there. So there is, in the principle of the bill, a basic unfairness. It identifies one party as being more guilty than the other. I do not believe that is really the intent on the part of the government. But I bet when we read the press reports tomorrow morning what they will say is that the government now has in its hot little hands a bill that will force the teachers back to work. That is clearly the intent that is understood; that is the intent that will be reported.

I want to speak also, because several members have, about the effect on the children. I would like to add a couple of different perspectives to this. Many people have spoken about the number of days lost and they keep going

back to 18 months. But 18 months have not been lost. They have been spent perhaps in rather fruitless bargaining, but the strike has gone on for about 36 days.

Some members spoke at great length about damage to children. I am a father and an educator and I hate to break the news to the world, but those 36 days will be lost in every school year in every school in the province doing not really educationally profitable exercises. That is a fact of life in education, as it is in the factory and as it is in this Legislature, if one would care to examine how much profitable time in this session has been spent doing productive things, changing the world outside, making a real difference in our society. If we attempted to find in there 36 nonproductive days, I think I could find them. I think I could point out hours upon hours when we really did not do a whole lot for society.

That kind of time loss in any school is the same as in any factory or in this Legislature. It is part and parcel of the business. In fact, there are many educators, including members of the minister's staff, who are talking now about compressing a whole year into the school system, to have students take in 12 years what is now being taken in 13. There was a compressing of grades when many people like myself were going to school as well. A whole year was integrated into the system. I am one of those who did 13 years' education in 12. A whole year is missing there somewhere in theory, but in fact that never did occur.

There are many aspects to what this kind of legislation will do. There are two others I want to mention. One is in terms of the parliamentary process itself. This legislative approach really does stink. I cannot help but compare this bill with a few months ago under minority government. This government would never even have bothered to try to get this kind of open-ended legislation passed through this House. There would have been no sense in trying.

I think it is important for us at least to notice, as this bill goes through, that the government is loading up the shotgun. The government itself will decide when the bill will be implemented. It will decide whether or not to use it. I have heard many people say: "There are 60 bargaining days at work before any real crisis occurs. It may well be September before the legislation itself is utilized."

I think we should not run and hide from the realities. There is not going to be a lot of bargaining this summer in this dispute.

Hon. Miss Stephenson: Why?

Mr. Breagh: The minister may ask why. She can ask it now, she can ask it through July and she can ask it through August, but I will bet my bottom dollar not a great deal of serious bargaining will occur. From the board's point of view, there now is legislation in place which ensures that probably the most critical item on its agenda—reopening of the schools—will occur. From the teachers' point of view, their fate is almost sealed with this kind of legislation in the government's hands. So there is not a lot of use from that point in it from that point of view.

I am always amused when I look at the different approaches taken in different sectors to resolve a labour dispute. In the industrial sector, for example, where there is certainly inconvenience to the public because services are discontinued but the hard dollar is on the line, I have watched this government move its staff into a labour dispute that was much more bitter than this one, where much more acrimony had come out of it and where people were on the streets on picket lines, and not just as a teachers' picket line often is, a very genteel process, but pretty rough stuff out there.

I have seen where a ministry can find the staff, can find a hotel room somewhere in Toronto and can convene a meeting of both parties. They sometimes isolate them with a few blocks' difference between them, but they get a settlement. That is basically because, when they want a settlement, it is possible to make one happen. That is even when both parties involved in the dispute couldn't care less about a settlement. If this government chooses to make one happen, it will happen. In this instance, it could.

If this legislation were to look at the proposed settlement itself and put that in front of the House, if it were to look at a legislated settlement on the board's part, then perhaps we might say: "It is even. We have done some in the past which legislated the teachers back to work. This time we are going to legislate a board into a settlement." That would be unfair as well. It would have its ins and outs to it. The problem that is a basic one in all of this is that the government has got now in its hands a piece of legislation which it should not have under any circumstances.

In the course of this debate tonight there has been a little bit about the realities of the negotiations in this particular school board. In fact, the principle of the bill does not talk about the state of negotiations there. It talks about the powers which the government will have in its

hands and may choose to exercise when it wants to. That in parliamentary terms, is doing a disservice to this House.

In conclusion, I want to speak a little bit about the children who are involved and everybody else who is involved.

It is said in this circumstance that the only important thing is a settlement and somehow there is an impression left that no damage will occur if only a settlement could be reached. I want to put a point of view which says very clearly that the minister is damaging the lives of these children in this process. The minister is forming their attitude about government, teachers, school boards, adults and about the society in which they live, which is wrong, which is bad and which is harmful.

I can assure the minister that she is engendering a bad feeling among the teachers who will be affected by this—a bad feeling about themselves, about the government and about their employers, the school board. I do not think the minister is doing a great deal for the school board either.

Other members have spoken just briefly about the intervention on a local matter of this kind and the bad feeling that stems from that. I really feel that this will leave with the teachers, board, parents and children a legacy which is wrong, which says that common rational problems cannot be worked out among adults and there was not a movement on the part of the government to seek that consensus, to make that negotiating process work.

I know it is a long and complicated piece of business. Having negotiated for teachers and with school boards, I know that it is often not like other sets of negotiations I have participated in. It is a slightly different kettle of fish, but I do believe that the current legislation governing teachers and their bargaining process is a reasonable one. It is a little fancy for my taste, but it is one which has pretty well stood the test of time. Each time the minister brings this kind of legislation forward, it does the original bargaining piece a disservice as well.

I believe that this legislation is not really proper in a parliamentary sense to be put before the House. I think it certainly very unusual to give to a minister or government of the day this kind of open-ended legislation. Later on, when they choose, they will fill in the blanks of how they go about it or when they might implement it. In our parliamentary traditions, that is wrong. I believe that the minister will not do very much for future sets of negotiations for this board or

for any other board. In fact, I believe the minister will do the process some considerable damage.

Finally, Mr. Speaker, the minister does a great disservice to the individuals who are involved and affected by this particular set of negotiations because what she is proposing as a solution here is no solution at all. It is a furtherance and a changing of the nature of the problem perhaps, but it does not do very much either to make the system work or to make the people who are part of the system feel that the system is fair to them. That is the basis of all sets of negotiations I have ever been involved in. At the end of the process no one ever really wins and no one ever really loses, but both sides feel that they have had a chance to participate and that they got some portion of the things they were looking for.

10 p.m.

Without going into the specifics of the negotiations here, I believe that in principle this type of legislation is wrong and that this particular bill does not deserve the support of the House. I ask all members to look at it in that light on the principle of the situation and make up their minds as individuals.

Mr. Speaker: Does any other honourable member wish to participate in this debate? If not, Miss Stephenson.

Hon. Miss Stephenson: Mr. Speaker, so much has been made in this debate of one or two items that I would really like the opportunity to mention a little of the background related to it. The whole subject of class size seems to have stirred the imagination of the members of the Legislature. They really seem not to believe that there is a significant body of research in this area.

I refer the honourable members to the December 1980 issue of Kappan magazine, which has an excellent article in which those meta-analyses of Smith and Glass were reported, were rebutted once by the education research service group and rebutted a second time by the same group with such language as this:

"The fundamental question of scientific position regarding Glass's class size analyses rests not on whether there are mathematical curves that better fit his data, but on a more basic issue—the imprecision of the data to which curves were fitted. Even if Glass's data classification procedures were accepted as valid, the bottom line is that only 14 studies, not 76, provided the data for his widely publicized graph and the conclusions drawn from it."

There is indeed a great deal of concern about class size. I would refer the honourable members to an excellent report carried within the National Educational Research Foundation's paper and written by Dr. Clare Burstall, who says:

"For more than eight decades, attempts have been made to establish whether a relationship exists between the size of a class in which children are taught and the quality of their attainments and behaviour. The outcomes of this extensive research effort are conflicting, inconclusive and disappointingly meagre. The accumulated evidence does not lend itself to easy summary and has been variously interpreted as indicating a need for larger classes, for smaller classes or simply for better research.

"This lack of clarity is in sharp contrast with the deeply held conviction of teachers and parents that smaller classes must inevitably bring about an improvement in the quality of life in the classroom with consequent beneficial effects on children's social, emotional and intellectual development."

Dr. Burstall goes on to say: "Most class size studies are also open to an even more serious criticism. They attempt to treat class size as a single isolated variable without taking into account the complex interplay of forces affecting classroom life. Powerful factors such as the motivation and abilities of the pupils, the skill and personality of the teacher, the nature of the curriculum, the organizational characteristics of the school, the available human and financial resources, the community in which the school is set, and so on, have been generally neglected in a concentration on class size. . . .

"Interestingly enough in view of the earlier findings on pupil achievement, the majority of the teachers taking part in this study felt that the advantages offered by a small class were particularly marked for the less able child and the disadvantages of a larger class correspondingly great. This is not to suggest, of course, that a small class, however defined, is necessarily the best for all purposes. There is some evidence that a very small class can become a monotonous and unstimulating environment, and, as mentioned earlier, there has been very little investigation of the possibility that very large classes might prove a suitable setting for certain kinds of learning activities. Indeed, the concept of 'optimal' class size is probably not a helpful one. Size cannot be divorced from context: classes of different sizes may be equally effective for different purposes."

Dr. Clare Burstall is the associate director of the National Educational Research Foundation in Great Britain. The Educational Research Service is a very well-known and very worthy institution in the United States. All that I have tried to demonstrate is that there is no consensus about the matter of class size and there is certainly no consensus about whether it should be stabilized or established by the ministry or whether it should be a part of collective bargaining.

I do not know the answer to that but I do not think the teachers can have it both ways. I do not think we can have it established first in legislation and then have it become subject to collective bargaining as well. That is what I was trying to make clear in my remarks to a reporter who managed to get them garbled.

Mr. Cooke: So you support the board's position?

Hon. Miss Stephenson: No, I do not support the board's position. I was simply trying to present the facts, nothing more.

Mr. Martel: There are no facts.

Hon. Miss Stephenson: That is the question; there are no facts related to class size, so therefore they are going to negotiate on the basis of no facts.

The other matter that has seemed to raise so much ire among the members was this belief that the commission acted upon section 61(1)(h) in sending their report to me, which I received on June 12 although I gather it was written on June 11, and that this indeed was inappropriate because 61(1)(h) mentions jeopardy.

The commission did not file their report on June 11 on the basis of 61(1)(h). Indeed, the report makes it very clear that they could not establish jeopardy and therefore they were very careful not to use that section, but they did believe firmly that under section 61(1)(a) of the bill there is ample scope for the kind of report which was submitted to me on June 11.

Section 61(1)(a), I would remind members, suggests that the commission has a responsibility—

Mr. Grande: Where is that?

Mr. Martel: Where does it say that? I have the letter; show me.

Hon. Miss Stephenson: It is not in the letter. But have you read the letter carefully?

Interjections.

Hon. Miss Stephenson: Oh, but it does.

Mr. Speaker: Order.

Hon. Miss Stephenson: Mr. Speaker, the letter very specifically says: "At the same time we take seriously our duty under section 61(1)(h) of the act concerning jeopardy. While in our opinion there is an absence of compelling evidence that jeopardy exists at this precise point, we feel that the government should be in a position to respond without delay should it become clear to the ERC," and so on.

Then in the next paragraph it states very clearly that it is the intention of the commission to provide third-party assistance to the parties in Leeds and Grenville and to continue to monitor the situation and to ensure that there will be an examination of the course of study of the students at some point, at which time the minister will be given an advisement under which the minister may act.

Interjections.

Mr. Speaker: Order.

Hon. Miss Stephenson: On the basis of a broadsheet which was distributed by the president of the Ontario Secondary School Teachers' Federation which said that in his opinion there was no legal basis for the commission's action, we did ask for a legal opinion about this and we have received legal opinion. It is the legal opinion that the commission did act correctly and properly under the terms of 61(1)(a) of Bill 100 which provides ample scope for reports such as that filed on June 11.

Rather than infringing upon the rights of the parties, I believe the commission strongly supports the idea that the introduction of legislation such as this will encourage the parties to continue meaningful negotiation, a matter which has not occurred with any great regularity in the past several months. It does not mean an end to the strike in Leeds-Grenville. In fact, the legislation will not be proclaimed until an advisement under 61(h) of Bill 100 is received by the minister from the commission.

It should be emphasized that the commission has made no determination at this point as to when that advisement will be made, but the commission's concern about the spanning of two school years by one single strike was of sufficient strength to encourage it to write the report to me and to suggest strongly that I consider the introduction of such legislation. Under Bill 100, the Education Relations Commission has a duty at all times to consider the impact of a strike or a lockout on the students' courses of study, as well as to consider the rights of the parties.

In this situation in Leeds and Grenville, I believe the commission's position is consistent with its desires for a voluntary dispute resolution. That has always been their strong position and one they have encouraged me to attempt to support as well. I think the neutrality and the independence of the commission are very well established and are not in any way jeopardized by the legislation they have suggested.

One of the real difficulties under Bill 100 is the fact the parties to negotiation do not seem to have recognized their responsibilities quite as clearly as they have recognized the rights they have been granted under the legislation. In almost all of the instances, and there have been about 12 per year in the last five years—the member for Kitchener-Wilmot might like to know—in which there has been protracted negotiations which did not result in strikes, but in many of the instances—

Interjection.

Hon. Miss Stephenson: More than 12 months.

Interjection.

Hon. Miss Stephenson: I am sorry, I did not hear the member say years.

Mr. Speaker, in those few instances in which the dispute has disrupted the school program, it has become very obvious that there has been less than total concern or less than apparent total concern on the part of both parties for the welfare of the innocent third parties in this set of negotiations. I think it was because of real concerns for the security and the stability of the educational program for the young people in Leeds-Grenville that the Education Relations Commission was moved to make a unique suggestion in this rather difficult situation, in order to ensure that there would be a program of education that those children would know they would be going back to at some point early in the fall of 1981.

I would urge all honourable members to consider most seriously supporting this bill on behalf of the children in Leeds-Grenville and on behalf of vigorous stimulation of continued collective negotiations in that area in the sincere hope that the bill will never have to be proclaimed. That is my objective. I hope it will be the objective of all members of the House and all members of the negotiations.

Interjections.

Mr. Speaker: Order.

10:20 p.m.

The House divided on Hon. Miss Stephenson's motion, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Birch, Boudria, Brandt, Conway, Copps, Cousens, Cunningham, Cureatz, Dean, Eakins, Eaton, Edighoffer, Elgie, Elston, Fish, Gregory, Grossman, Haggerty, Havrot, Henderson, Hennessy, Johnson, J. M., Jones, Kerrio, Kolyn, Lane, Leluk, McCaffrey, McCague, McGuigan, McLean, McNeil, Miller, F. S.;

Newman, Nixon, Norton, Pichè, Pollock, Pope, Ramsay, Reid, T. P., Riddell, Robinson, Runciman, Ruston, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Worton, Wrye, Yakabuski.

Nays

Breaugh, Cooke, Gordon, Grande, Martel, Philip, Renwick, Samis, Swart.

Ayes 71; nays 9.

Ordered for committee of the whole House.

House in committee of the whole.

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Consideration of Bill 124, An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

Sections 1 and 2 agreed to.

On section 3:

Mr. Chairman: Mr. Sweeney moves an amendment to section 3(1)(a): in line four after the word "to" add "an arbitrator or" and in line five after the word "with" add "part IV or."

Mr. Sweeney: The purpose of this amendment is to provide the board and the teachers with the opportunity to use either a final-offer selector or an arbitrator.

Interjections.

Mr. Grande: Mr. Chairman, this amendment is an attempt by the Liberals to try to save some face and this party will not even dignify that party by an acknowledgement of this amendment to a bad bill.

10:30 p.m.

Hon. Miss Stephenson: Mr. Chairman, the purpose of introducing the single concept of the selector for final-offer selection was to provide

some stimulus and encouragement to the Leeds and Grenville County Board of Education to pursue collective bargaining vigorously this summer. The concept of arbitration as we usually understand it is not a measure which provides much in the way of pressure for boards of education to continue with the negotiating process.

The lack of enthusiasm by the board for final-offer selection we believe is an appropriate means to stimulate that board to move in the direction of really continuing negotiations in the hope we will never have to proclaim the bill.

Mr. Chairman: Those in favour of Mr. Sweeney's amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 3 agreed to.

On section 4:

Mr. Chairman: Mr. Sweeney moves that section 4(1) be amended deleting "1983" after "August" in line 6 and replacing it with "1982."

Mr. Sweeney: Mr. Chairman, I indicated in my opening remarks that I felt this particular negotiation had gone on a long time. I indicated there were some difficult and bitter feelings between the parties and that there should be some opportunity for them, as soon as reasonably possible, to meet again and try to resolve their differences on their own.

It has been made fairly clear to me by one side at least that they rather resent having a three-year settlement imposed upon them and this would be one way of blunting that resentment to some extent.

Mr. Grande: Mr. Chairman, as we said on second reading, it is clearly unusual that for the first time one has a three-year contract being imposed. However, the fact is that the comments I made on the first amendment the Liberals put forward are exactly the same for their putting forward this amendment to try to minimize the shame of having voted for this legislation.

Hon. Miss Stephenson: Mr. Chairman, the purpose of the three-year term for this agreement was to ensure there would be a reasonable period of time during which activity in the area

of preventive mediation could take place which would be instituted by the Education Relations Commission and which would have an opportunity to improve the somewhat strained relationship which has been in existence in that area for some time. I would hope the members would see fit to permit that term of contract to remain within the legislation.

Mr. Chairman: Those in favour of Mr. Sweeney's amendment to section 4(1) will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 4 agreed to.

Sections 5 to 7, inclusive, agreed to.

Bill 124 reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendment.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the adjournment of the House, I thought I might indicate the business for tomorrow. The House will meet at its usual time of 10 o'clock with a question period. Immediately following that, we will proceed with the legislation on the Order Paper, which is first the committee of the whole House on Bill 113, followed by second reading of Bill 68.

I would also indicate that, with the concurrence of the House, I think it would be appropriate if we adjourned between 12 o'clock and one o'clock while Her Majesty the Queen Mother will be visiting in front of the Legislative Building and being officially received and welcomed to Ontario. It will give all the members an opportunity to go down to the front steps and observe the official ceremony, since this will be the official welcome to the province.

I understand we have agreement, and I will make the appropriate motion tomorrow, to continue sitting beyond one o'clock in the likelihood that we may be able to complete the business of this Legislature and proceed to a summer adjournment.

The House adjourned at 10:37 p.m.

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Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Friday, July 3, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, July 3, 1981

The House met at 10:03 a.m.

Prayers.

ORAL QUESTIONS

LANDLORD-TENANT HEARINGS

Mr. Nixon: Mr. Speaker, I guess some of the ministers are getting their hair done in honour of Her Majesty's visit. I wish to place a question to the Minister of Housing. I see him approaching his place, and I am glad to see he did not get his hair done in honour of Her Majesty's visit.

Is the minister aware of the substantial and rapidly growing backlog of hearings which is building up before the Residential Tenancy Commission, particularly in the Metropolitan Toronto area? Is he aware there is an indication that from April 1 to mid-June there were 1,346 landlord and tenant applications and considerably less than half were heard, leading to a time lag in the hearings of four to five months?

Can he indicate what he is going to do about this increasing delay, and does it mean he is putting an unnatural pressure on the system which may very well lead to the change of policy that was very much feared and discussed during the election campaign?

Hon. Mr. Bennett: Mr. Speaker, I have to inform the Liberal House leader that the Minister of Housing is not responsible for that particular area; it is the Minister of Consumer and Commercial Relations.

Mr. Nixon: I am sorry. I redirect the question to the minister's colleague, who also has just come into the House.

Hon. Mr. Bennett: Oh, he has been here quite a while.

Hon. Mr. Walker: Mr. Speaker, yes, I am aware of the backlog and it is a problem. I think it is inevitable that this kind of backlog would occur with the kinds of pressures that undoubtedly have been occurring in the last while, particularly with the interest rate fluctuating in the range of 18 to 20 per cent for those who have had to renew mortgages in respect to their property. I think it is understandable that there would be an increase in terms of the number of applications before the Residential Tenancy Commission.

I can certainly well appreciate the problem. The matter that the member has raised today probably comes from a story in the newspaper a couple of days ago which makes reference to one particular building's increase. Given that about 15 of the members of the Legislature who live in that building have been faced with a 90 per cent, a 75 per cent and, in my own case, a 72.5 per cent increase in rent, I think it is certainly causing a number of surprises and undoubtedly applications to the RTC are just mushrooming. We are obviously going to have to address the problem and perhaps bring in people from other parts of the province where there is a lower rate of appeal and allow those people to sit on the appeals.

Mr. Nixon: I know the minister would agree that we are all concerned with these terrible and unnatural pressures brought to bear on our colleagues having to do with their own rents payable in Toronto, but I would like him really to consider the cases which must force themselves into our attention, namely, those people who are confronted with huge increases in rent and have received notices of those increases.

What are they supposed to do? Are they supposed to wait for five or six months until the disposition of the application before the Residential Tenancy Commission hearing boards, or should they immediately make plans to vacate, since if they get a bad return from a hearing officer they would have to pay a considerably high sum in back rent which perhaps many of them could not consider?

I would submit to the minister that saying this is understandable is insufficient. What action is he going to take either to change the legislation or to appoint more hearing officers so the backlog is not going to be so high and so long?

Hon. Mr. Walker: They certainly do not have to pay the increase until the decision is rendered. It will be within the jurisdiction and competence of the RTC at the time to determine how far back it should go retroactively, if at all.

In any case, a certain number of days' notice has to be given in advance. I believe it is 90 days in advance for this kind of increase, and then the tenant has to make application within 30 days for a hearing before the board. Given that kind

of time lag, there would be a natural 90-day delay before such an increase could occur. Certainly the RTC at the time would have to take into account whether it would be retro-active for a couple of months if it were five months down the way before a hearing were to be provided.

Secondly, it behooves us to make sure that we have enough people to entertain these applications as quickly as possible. In that regard and to the extent we can, we are going to make sure there are resources within the city to cope with those matters. That may mean, as I say, bringing in an officer from a different part of the province to sit on these hearings.

The same thing applies in the provincial court and the county court, where from time to time they have to overcome an overload by bringing in people from other parts of the province. It does not mean increasing the complement. It merely means reallocation of some of the people who are available elsewhere.

Mr. Philip: Supplementary, Mr. Speaker: Does the minister not agree that the major increases are not in those buildings, with some exceptions, that are covered by rent review but rather in those buildings that were built after January 1, 1976, and that many landlords are now using the loss leader to get people into their new buildings very quickly and then, not being covered by rent review, raising the rent by astronomical amounts in the second year? What is the minister prepared to do to deal with that question, which is a major question in many of the newer areas, such as Scarborough, Rexdale and Mississauga, where the new buildings are going up?

10:10 a.m.

Hon. Mr. Walker: Mr. Speaker, I cannot answer the question directly. I do not know the answer to what the member is really posing. But I can say that in a general way the pressures are probably more deeply felt in the downtown areas than they are in the more outlying areas, where the rate of vacancy is much higher than down in the core areas, or at least in the more downtown type of areas.

Wherever that is the case it does not matter whether the building was built after 1976 or not, because to a large extent the rent that can be charged is governed by the competition in the area. So if buildings next door are controlled by rent control then competitively they probably keep the figures down in the buildings built after 1976, which may be just a few blocks away. So there is some force of the market working there.

Mr. Nixon: Did the minister indicate that he would be appointing more hearing officers, or is he just going to bring a few in from some outlying areas? Perhaps he might answer in words instead of nods, and at the same time indicate what he considers to be an acceptable time lag in these hearings, since obviously the one that is developing now and growing rapidly is unacceptable.

Hon. Mr. Walker: It seems to me that if it is five months and we can shave a couple of months off it that makes a reasonable hearing time, because there is a 90-day lag in there in any case.

Secondly, it is not our intention to appoint new officers at the moment. I do not think that will be required. I think we will be able to accomplish the ends of justice by having speedy decisions, by bringing in people from other parts of the province for hearing.

PUBLIC OPINION POLLS

Mr. Nixon: Mr. Speaker, I have a second question for the same minister concerning his announcement of the public opinion poll that he is commissioning having to do with financial institutions, particularly as a result of the problems his ministry has experienced with the Re-Mor business and the rather dramatic losses of money by the Re-Mor investors and other investors.

Does he intend in the poll to ask the question, "Should the government reimburse the investors who lost funds?"

Hon. Mr. Walker: Mr. Speaker, that was certainly not part of the original instructions. In fact, when the company took our instructions and built into them that very question we requested that it be taken out. So we are not asking that specific question.

Mr. T. P. Reid: Because the minister already knows the answer to that from his own political poll.

Hon. Mr. Walker: No. I did not think that was a proper question to be asking. That was not the purpose of the poll. It was to develop the public's view of licensing generally as it related to this particular area.

Mr. Nixon: Since the minister must realize that he and his colleagues are vulnerable to the charge that they establish policy on the basis of public opinion polls, then surely what goes into those polls is a matter of important public interest. Since the minister has already indicated that he will not make the questions public,

can he tell us whether a section of the poll is going to be directed towards the investors in the various corporations that have experienced financial difficulties, bankruptcies and large losses, or will it be directed only towards the general public?

Hon. Mr. Walker: The poll is directed to the general public. It is not directed either to those who are part of the 300 and some people in the Re-Mor matter or to others who may have lost.

That is not to say that whoever is being polled could not have at one time or another lost money in that way. That may be the case. All I am saying is that it is meant to be a sample taken on the basis of the regularly accepted principles of good sampling, and is not skewed in any way towards one particular segment of society.

Mr. Nixon: Skewed?

Hon. Mr. Walker: Skewed's the leader of your party, is he not?

Mr. Swart: Supplementary, Mr. Speaker: In view of the fact the minister is getting the opinion of the public really on the adequacy of the operation of his ministry, does he not think the question of compensation should have been an integral part of that questionnaire?

If the questionnaire shows tremendous dissatisfaction among the public with regard to the operation of his ministry with regard to licensing financial institutions, will the minister then give further and more favourable consideration to compensation?

Hon. Mr. Walker: Mr. Speaker, the member is just begging the question in my opinion. The member would have been the first to say "I think you are doing nothing but governing by polls" if we had done it that particular way. The member is probably doing a disservice to himself. He would be the first to rise on the opposite side of it.

I want the results to be available in time for discussion in committee. My estimates will be some 25 hours, which will probably cover about three weeks of hearings before the standing committee on administration of justice later this fall, as soon as the Legislature reopens following the summer recess.

That will provide some two or three weeks during which I hope members will have the benefit of the poll in front of them to make observations in respect to some of the changes we feel may be warranted relative to the whole mortgage broker area and other areas of licensing. I look forward to the member's comments at that time. The member serves on the committee, does he not?

Mr. T. P. Reid: Supplementary, Mr. Speaker: Since the minister seems to have fallen on his head and gained some enlightenment, will he tell his cabinet colleagues that all the polls taken at public expense by the government should be made public as the government receives them and that they should be tabled in the Legislature?

Hon. Mr. Walker: No, Mr. Speaker, I am not about to offer opinions to my colleagues in areas that might be privy to their own responsibilities. I am merely saying I would like to share these results with the member. I think he will find them useful. We want to have a wide open and full ranging discussion on these matters. There is not one iota of information I do not want to have before the members when they have an opportunity to pass comment and make decisions that relate to justice in our province.

TENANTS' DEPOSITS

Mr. Martel: Mr. Speaker, I have a question for the same minister. Obviously he had something worthwhile for breakfast. Can the minister indicate why he has not yet presented to the House or indicated to the House what he intends to do with respect to introducing the various improvements to the law relating to the Landlord and Tenant Act in the light of the fact the Supreme Court of Canada has ruled the crucial section of the Residential Tenancies Act is beyond the minister's powers? How much longer are the tenants going to wait to see the improvements, worked out here some two years ago, brought into force?

Hon. Mr. Walker: Mr. Speaker, I am not responsible for the Landlord and Tenant Act. The member will have to ask that question of the Attorney General.

Mr. Philip: The Residential Tenancies Act.

Mr. Martel: I think I included the Residential Tenancies Act in my question, if the minister wants to check Hansard this morning about a half an hour from now. If he could do so, he might at that stage be prepared to answer the question I asked.

The interest rate payable on the last month's rent is six per cent and in the new act it will be nine per cent. It has been two years outstanding. If one looks at a rough calculation—and I am using a conservative figure of rentals being an average of \$250 a month—the amount of money held is about \$300 million. Does the minister not think it is time the act was introduced, because residents would be getting in the neighbourhood

of \$27 million instead of the \$18 million under the present act? Isn't it about time we considered putting in a formula which will allow for some flexibility because the new nine per cent rate is only going to be about half of the present prime bank interest rate?

10:20 a.m.

Hon. Mr. Walker: Yes, I think some kind of formula may be warranted, although I suspect the more logical way is to set a figure once a year, and allow that to be determined by regulation, so that is something that is tied to what is occurring these days and will be more in keeping with the present rate.

The nine per cent was set two years ago. My colleague tells me the Conservatives wanted to have a formula, but I believe the opposition insisted on having it fixed at nine per cent. I do not recall that particular part of the hearing. I was not in the committee at that point, but I will say the nine per cent today is certainly out of whack with what it should be, given the 18 per cent interest rate.

Consequently, I am most anxious to see this adjusted to reflect a figure more in keeping with the proper percentage we need today and that is something higher than the nine per cent and probably closer to a bank rate.

Mr. Philip: Supplementary, Mr. Speaker: I did not hear the minister say when he was going to do it, so tenants are going to be ripped off by millions of dollars until he has the courage to work against landlords and on the side of the tenants, for once, and bring in the act. Personally, I would be willing to sit on Monday if he would bring in a very simple bill.

One of the areas dealt with in that section is the whole idea of a registry so that tenants can be aware of rents that have been charged to previous tenants and thus, hopefully, eliminate some of the illegal rent increases. When is the ministry going to bring in legislation that will deal with that problem of illegal rent increases? Is the minister prepared to do what the Federation of Metro Tenants' Associations asked for, which is to enact a central registry where all rents will be recorded so that we can have an ongoing check on landlords who constantly abuse the system with illegal rent increases?

Hon. Mr. Walker: Mr. Speaker, people from our ministry are currently meeting with the Attorney General's people about these very questions and what we can do in the light of the Supreme Court of Canada decision. I have not personally addressed my mind to the issue

raised in respect of the registry per se, and I am not sure what the member means when he mentions illegal rent increases.

EXTRA BILLING

Mr. Martel: Mr. Speaker, I have a question of the Minister of Health. Could the minister inform the House of the most recent data with respect to the number and percentage of doctors opted out of the Ontario health insurance plan, the percentage of OHIP claims that are in the extra billing category and what percentage of dollars paid are due to extra billing? I ask this in view of the recent agreement, which certainly should see those substantially reduced.

Hon. Mr. Timbrell: Mr. Speaker, there are some Order Paper questions dealing with the same subject, the answers to which I signed some time ago. They should be tabled today.

The total number of doctors is reduced by those who are on salary or working in clinics. From memory, the percentage of doctors billing OHIP is about 15.5 per cent. The percentage of claims that are extra-billed is 7.8 or 7.9, something like that, and the percentage of the actual money is around 10 or 11 per cent.

Mr. Martel: Could the minister indicate why it was possible for the Social Credit government in British Columbia, after giving a substantial raise to its doctors, to move in to legislate that there would be no extra billing? Since they have led the way, is it not time Ontario followed suit and ended this practice of extra billing to people, many of whom cannot afford it?

Hon. Mr. Timbrell: Unless they withdrew the bill that was introduced a couple of months ago by Mr. Nielsen, the Minister of Health there, to my knowledge the bill that was passed was exactly the same as the Ontario one. The bill passed by the British Columbia Legislature, unanimously supported by members of both the government and the opposition, is the Ontario system. The system they had before allowed doctors to extra-bill, much like the Saskatchewan system, selectively by patient or by service. The system that has been introduced by the BC government with the support of the opposition party there, as I understand it, is the Ontario system, where doctors will have to be opted out or opted in.

GROUPS, SECTS AND CULTS

Mr. Sweeney: I have a question for the Attorney General, Mr. Speaker. Given that

more than a year ago now, he introduced into this House the Hill study on cults and mind development groups, and given that the Attorney General and the Premier (Mr. Davis) at that time indicated that the cabinet would be studying this report and reporting back to the Legislature as to what action they would be taking, could we have some report on what action they are going to take?

Hon. Mr. McMurtry: Mr. Speaker, the response of the various ministries which are interested in this report has been delayed pending a police investigation that has not yet been concluded. I hoped it would have been concluded by now. It is very involved and very detailed, and that has been holding up a response.

Mr. Sweeney: Is the minister aware that the cult group known as PSI, which the minister will recall was one of the groups that triggered that whole investigation, has now resumed its activities and is drawing in recruits again, presumably because nobody is doing anything about it? Is the minister also aware that the British courts and the British Parliament have also begun to take action against the cult group known as the Moonies, and as a matter of fact are even now looking at the possibility of removing their tax-exempt status? If the minister is aware of these kinds of activities going on elsewhere, does he not think that we here in Ontario, especially after having spent \$440,000, should begin to make some moves after a year?

Hon. Mr. McMurtry: First of all, I think it should be understood that the Hill report has been distributed throughout the province to law enforcement agencies, and as a result of the Hill study police forces have become much more knowledgeable in relation to this very complex area and are more aware of the role that may be appropriate for law enforcement agencies when there are breaches of the law.

There can be no question that the Hill study is a very important document in this respect, because many law enforcement agencies admittedly were very reluctant to involve themselves when there were allegations of impropriety in dealing with some of these cults, because of their concern that they should not be perceived to be interfering with freedom of expression and freedom of religion, and it was a bit of a murky area. As a result of the Hill study there is a much better understanding of the appropriateness of the role for law enforcement agencies, and that

is one very positive step with respect to the tabling of the Hill report.

When the member for Kitchener-Wilmot (Mr. Sweeney) speaks of possible legislation in other jurisdictions, we are monitoring the situation in Great Britain. To our knowledge, I am not aware at the moment of any jurisdiction that has passed legislation outlawing any of these groups, and I think all members of the Legislature can appreciate the sensitivity of this issue. But to suggest that nothing has happened since the Hill report was tabled is simply inaccurate, because the Hill study has enabled large numbers of people in all walks of life to become much more knowledgeable in this very complex area. The formal response of the government has been delayed for the reasons I have mentioned, but a great deal has happened in the interim.

10:30 a.m.

Mr. Sweeney: Is the minister not aware that because Ontario has been perceived not to be taking any action, these groups are moving into this jurisdiction; that People Searching Inward, for example, is flying recruits in from England to take courses here in Ontario because of the pressure in England; that the Moonies, because of the pressure in the states, have set up a large indoctrination centre around Rice Lake? These kinds of things are happening here because we are not perceived to be taking any action at all. How long are we going to allow it to continue?

Hon. Mr. McMurtry: Again, it is quite inaccurate to suggest that no action is being taken. There are no legislative initiatives at the moment; that is correct. But I can assure the member for Kitchener-Wilmot and all members of the Legislature that this situation is being monitored very closely.

SCHOOL LAYOFFS

Mr. Grande: Mr. Speaker, my question is to the Minister of Education. Is the minister aware that in the last two weeks eight of the 14 custodial employees of St. Mary's and St. Jerome's Catholic high schools in Kitchener received notice that they were being laid off, to be replaced by a private firm contracted by the Catholic high school board of governors?

Since the minister, when answering a question about a similar case at Centennial College, said her ministry had advised the college board of governors to rethink their position, which the ministry said was ill-informed, and stated that

the ministry has always supported the concept of fair labour practices and will continue to do so, will the minister make a commitment to ask St. Mary's and St. Jerome's to rethink their ill-informed decisions and prevent the laying off of those men, all of whom have families?

Hon. Miss Stephenson: Mr. Speaker, I believe it would be inappropriate for me to do so, since it is my understanding that this college is a private institution which does not fall under the jurisdiction of the Ministry of Education.

Mr. Grande: Does the minister not realize that the programs of grades nine and 10 are under the purview of the Minister of Education, and that the services provided by those eight people who are being laid off, and the services contracted out, are used for grades nine and 10 in those particular schools? Second, is the minister aware that in January there was a strike of those employees and the board of governors threatened then that they would be fired and their services would be contracted out if the strike continued for long?

Hon. Miss Stephenson: No, I am not aware that any such threat was made. I remind the honourable member that the decision was made by the board of governors of the institution, which is the body responsible for the administration and function of the private portion of the school. I am sure there is a lease or rental arrangement which is established with the local separate school board, but the final decision in that instance is the responsibility of the board of governors of a private institution.

Mr. Grande: Does the minister realize that she has responsibility for grades nine and 10, or is she saying, "No, I have not"? Does the minister think that the only way the workers are going to get redress is by occupying the president's office?

Hon. Miss Stephenson: It seems to me it would be entirely inappropriate in most circumstances for that kind of occupation to be undertaken. I most certainly understand I have responsibility for grades nine and 10. I was simply trying to point out to the honourable member that in many of these arrangements the board of governors of the private institution is responsible for those it hires to function within the private institution. There are lease and rental arrangements established with the local separate school board. I am sure that is what happens in Kitchener as well. But that decision was taken by the employers of those individuals, and those employers happen to be the gover-

nors of a private institution which does not fall under the jurisdiction of the Minister of Education.

COMMERCIAL ON DISABLED PERSONS

Mr. Kolyn: Mr. Speaker, I have a question for the Provincial Secretary for Social Development. I have recently seen on TV the ad the ministry promoted for the International Year of Disabled Persons. I believe this TV ad to be very constructive in promoting the International Year of Disabled Persons. Is it true that CTV and CITY-TV are running the ad with good results but that the CBC refuses to run it?

Hon. Mrs. Birch: Mr. Speaker, I am so glad that the honourable member asked the question, because I feel very perplexed that the CBC has chosen not to run an ad that is being shown by CTV and CITY-TV based on the fact that our identification patch is not large enough. We seem to be criticized in reverse. Usually we are being criticized because the government is taking too much attention away from the commercial.

We have already spent \$1,000 in making the identification patch larger, but it still does not meet the requirements set down by the CBC. We find it very difficult to get from them a specific guideline as to just how much larger they want this identification patch to be to run this very good commercial, which is making the needs of the physically handicapped in this province more aware to those who observe it.

It seems to me we have had such wonderful co-operation from four unions that have waived their rules to allow nonunion disabled persons to make the television ad. I want to read the names of the unions into the record. They are the musicians' union, the American Federation of Musicians; two film production unions, the National Association of Broadcast Employees and Technicians and the International Alliance of Theatrical Stage Employees; and the Association of Canadian Television and Radio Artists. They have all waived their rules to make this commercial possible.

I also want to note that Rabko Television Productions and Camp Associates Advertising Limited both decided to forgo their markup on production of the commercial so that the commercial was made at cost. Everyone has co-operated and bent its own rules except for the CBC, which seems to think its particular rules are far more important than the promotion of understanding of the disabled during this International Year of Disabled Persons.

Ms. Copps: Supplementary, Mr. Speaker: How can this government stand here and boast about the kind of commitment it is making to the International Year of Disabled Persons when it knows full well that the commitment is simply to advertising, advertising that will get across the message of the provincial government? There are situations such as in Hamilton where the Free Dive group teaches young quadriplegics and paraplegics to swim. People who cannot walk and cannot move around can get into the water and swim, but this government will not even give them a cent of funding. How can the minister stand here and brag about the commitment the government is making, which is a total advertising scam?

Hon. Mrs. Birch: Mr. Speaker, before that honourable member suffers a seizure or has an apoplectic seizure, I want her to calm down and to appreciate what this government is really doing. This government is far out in front of every other government, including the federal government, during the International Year of Disabled Persons, and not just for this year.

Sure, we are spending an additional \$12 million this year in addition to all the other moneys that are being spent in the regular programs, but we are doing so much more in this province than anyone else. We will continue to meet those needs. We obviously cannot meet them all immediately, but I think we are really showing a great deal of concern. If the honourable member would be a little more positive, which is the kind of attitude we are trying to develop, instead of picking out one group within her community and making such an issue of it, she would be doing disabled people a greater service by being a little more reasonable.

10:40 a.m.

Mr. Speaker: Final supplementary. Order. A point of privilege, Ms. Copps.

Ms. Copps: On a point of privilege, Mr. Speaker: If the minister thinks I am being apoplectic—

Mr. Philip: This is a supplementary.

Mr. Speaker: No, it is not. I have not heard the point of privilege yet.

Mr. Philip: On a point of privilege, Mr. Speaker: You pointed to me and said, "One last supplementary." Then you turned to the member for Hamilton Centre and gave her the supplementary. Who has the supplementary?

Mr. Speaker: Do you have a point of privilege, Ms. Copps?

Ms. Copps: If the minister feels I am being apoplectic, she is certainly out of touch with what is happening with the disabled in this province, because many are more irate than I am.

Mr. Philip: Supplementary, Mr. Speaker: In the light of the oozing empathy the minister has for disabled persons, can she tell us what position she has taken in terms of providing prostheses for children who have lost an arm or a leg because of cancer or amputation? Why is it that parents who have children with legs or limbs removed cannot get those prostheses provided under the Ontario health insurance plan by this government, a promise that was made by no less than the Honourable Darcy McKeough years ago? When is the minister going to keep her promise to the disabled?

Hon. Mrs. Birch: Mr. Speaker, I think first I would like to just—

An hon. member: Read your prepared statement.

Hon. Mrs. Birch: It is not prepared. My interest in disabled people took place long before I became a member of this Legislature. Those snide remarks are not very becoming. I thought the member was above that.

The whole commercial is meant to make people aware of the needs in this province. Obviously, we should have begun right here in this Legislature. We are aware, and the disabled of this community are aware that we are going to answer their needs. We will be continuing to make announcements.

This year is not over. Many of these programs are under consideration. We do have a responsibility on this side of the House. It is very nice to stand up and say, "This should be done and that should be done," but there are ongoing responsibilities with those programs. There is a voluntary sector that has to be considered but, of course, the member would not stop and appreciate that. The member really does not know what she is talking about. It is unfortunate.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Haggerty: Mr. Speaker, I want to direct a question to the Minister of Consumer and Commercial Relations.

Has the minister read the statement made by his colleague the Minister of Health (Mr. Timbrell) on Tuesday, June 23, 1981, relating to urea-formaldehyde foam insulation, in which he

stated that this material was not approved by the Ontario Building Code but was approved by the Canada Mortgage and Housing Corporation?

Will the minister agree that his own ministry should be responsible for this unfortunate situation since his officials did not act to prevent the use of urea-formaldehyde foam insulation in Ontario?

Hon. Mr. Walker: No, Mr. Speaker.

Mr. Haggerty: Will the minister table all correspondence and facts dealing with this particular matter of urea-formaldehyde foam insulation as to why he did not meet the criteria of the provincial building code?

Hon. Mr. Walker: I will find out what information I have and I will try to supply as much of it as I can to the member.

Mr. Swart: Supplementary, Mr. Speaker: Will the minister not agree that in the end result, if the federal government refuses to act to remove the foam or otherwise eliminate the health hazard, the government of Ontario itself through the responsibility of the Minister of Health will have to take some action either to condemn those homes or to remove the urea-formaldehyde foam?

Does the minister not think it would be preferable to start taking steps now to solve that problem rather than wait for months and months until the federal government makes a decision?

Hon. Mr. Walker: No, Mr. Speaker.

ARGOSY INVESTIGATION

Mr. Swart: Mr. Speaker, my question is to the Minister of Consumer and Commercial Relations. As minister, he must be aware of a letter dated February 20, which was sent to my colleague the member for Riverdale (Mr. Renwick), referring to the investigation of the Argosy group of companies. That letter states: "The Ontario Securities Commission anticipates it will complete its investigation into the Argosy-related group of companies no later than the end of March or early April 1981 and, when the investigation has been completed, it is my intention to advise the Legislature at the earliest possible date of the results of that investigation."

Will the minister explain why he has not reported on that to this House? Why has the minister not given an explanation of the unreasonable delay?

Hon. Mr. Walker: Mr. Speaker, there is no unreasonable delay at all. In fact, I wrote to the member for Riverdale a few days ago.

Hon. Mr. Drea: His friends are on strike.

Hon. Mr. Walker: It may not have been not received yet, but I signed it several days ago. I did not know we used the public mails, but maybe ours are just as bad. Are ours as bad?

Hon. Mr. Wiseman: Ours are better.

Hon. Mr. Walker: My colleague says ours are better. I anticipate within the next 10 days the member will receive that letter.

There is a continuing investigation of the matter by the police forces. As the honourable member knows, this is probably the most expensive and most extensive—be it in monetary terms or in geography—of any investigation ever conducted through government agencies. Of course, the Ontario Securities Commission has been directly involved in this. They had a very special budget set for them for this purpose. The matter is now in the hands of the police. The Solicitor General or the Attorney General will be considering any matter that might relate to charges.

I can assure the member and the member for Riverdale that, the moment I have something that can be made public, that information will be made public. There is no question of that. I hope the matter will be resolved very quickly in terms of charges that may have to be laid. It is very complicated and very complex. If the member had a chance to review even a smidgen of the materials brought in on it, his head would swim with the details involved in it.

Mr. Swart: I might ask the minister if he does not think it is an unreasonable delay even in answering my colleague, since he wrote to him on April 15 and the minister had not replied in two and a half months.

Specifically, may I ask the minister whether he recalls that there was a lot surrounding the Argosy collapse and its blow to the 1,600 investors that indicated negligence on the part of the OSC? There is no question about that. In view of the fact that the report simply will be a result of the OSC investigating itself as well as the Argosy group, will the minister support a referral of the report to the standing committee on administration of justice for a study by it, including the calling of witnesses and the production of documents, or is the minister just going to "Re-Mor" this one too?

Hon. Mr. Walker: The member knows the premise on which he bases his entire question is totally inaccurate. He knows it.

Mr. Bradley: Supplementary, Mr. Speaker: Can the minister indicate to the House whether he feels he will be prepared, when his estimates come before the standing committee on administration of justice in the fall, to make a full report to the committee at that time?

Hon. Mr. Walker: Mr. Speaker, the only thing that would stand in the way of that, I assume, would be any pending charges or matters that would be before the court. If I thought discussing the subject would thwart the ends of justice, either in seeing that guilty people are found guilty or not guilty people are found not guilty—if I thought that could be thwarted in any way by the discussion before a committee in a public forum—then I would not do that.

If I could share the information with the member, he knows I would. I like the member to think we have a very wide-open ministry.

10:50 a.m.

WOMEN'S EMPLOYMENT COUNSELLING

Ms. Copps: Mr. Speaker, I have a question for the Minister of Labour. On November 13, 1980, the minister told this House that within one or two months he would be presenting the women's employment strategy report and that it would include a comprehensive analysis of a broad range of topics including easing into nontraditional jobs.

I understand the report has not been presented yet, and I wonder when this government is going to act on the issue of closing the gap in wages between working men and women.

Hon. Mr. Elgie: Mr. Speaker, I am sure the member knows that within the civil service itself the government has adopted and is vigorously pursuing a program of affirmative action to try to redress those balances within our own civil service.

We have a voluntary program for the private sector which we think is making a significant contribution, and we have evidence of improvements with regard to our existing equal-pay-for-equal-work laws since the increased impetus has been given to that division of the employment standards branch.

The Ontario Manpower Commission does indeed have a group reviewing the whole issue of employment strategy for women, and I expect to be receiving that report some time in the near future. I will be discussing it with my cabinet colleagues to determine what sort of strategy we might consider.

Ms. Copps: Since the minister said some six months ago he would be presenting the report within one or two months and since six months has elapsed and no action has been taken, can I assume this minister is not committed to the principle of equal pay for work of equal value which he espoused on November 13, 1980? If he is, when he is going to bring in this report?

Hon. Mr. Elgie: I have never indicated any commitment to the principle of equal pay for work of equal value. I have indicated the government's commitment and my personal commitment to an increased equal-pay-for-equal-work strategy. I have also indicated my own view that there needs to be some increase in the scope of our ability to compare similar jobs. That is a matter I am pursuing.

Let it be clear that this minister is not instructed about, nor is he any part of, any prolonged discussion the Ontario Manpower Commission may be having with regard to the preparation of recommendations regarding women's strategy.

HYDRO CONTRACTS

Mr. Renwick: Mr. Speaker, my question is for the Treasurer, not in his capacity of Treasurer but because he sits to the left of the Premier. I have asked the Premier twice. I have asked the Deputy Premier once. I now ask the Treasurer when we may have the unexpurgated report of the former Supreme Court judge, Mr. Justice Campbell Grant with respect to the Ontario Hydro contracts at the Madawaska dam and at the Bruce peninsula.

Hon. F. S. Miller: Mr. Speaker, I am unable to answer the question.

OVERCROWDING IN SCHOOLS

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Education in the matter between the Ottawa Board of Education and the Carleton Board of Education.

Is the minister aware that the Ottawa Board of Education has deferred until the fall the proposed sale of the Sir Wilfrid Laurier High School to the Carleton board, resulting in a continuation of the overcrowding in Carleton board high schools?

Hon. Miss Stephenson: Yes, Mr. Speaker.

Mr. Boudria: Does the minister intend to intervene any further to ensure the school will be transferred as soon as possible, because there is severe overcrowding right now in the Carleton board high schools, especially at the Cairine Wilson Secondary School in Orleans?

Hon. Miss Stephenson: Given the excellent example set by the Etobicoke Board of Education and the Metropolitan Separate School Board this week, I should think the Ottawa board might feel a little sheepish at attempting to delay even further the suggestions that have been strongly made to it over the past six months and the additional factual information that was given to it relatively recently. We will be discussing it with the Ottawa board.

FRUIT CROP DAMAGE

Mr. Swart: Mr. Speaker, I have a question for the Minister of Agriculture and Food if he will take his place. Perhaps I can pose a question while he is coming to his seat.

Is the minister aware of the extensive damage caused over many years to fruit crops and fruit orchards by road salt along the provincial highways, particularly to the orchards along the Queen Elizabeth Way and particularly to the orchards in the riding of the Tory member for Lincoln (Mr. Andrewes)?

As the minister who loudly proclaims he is fighting for the farmers, although his actions may not show that, does he think it is fair play on the part of his government to deny compensation for that damage and to force those farmers to sue the government to recover those damages, when he knows that damage is caused by the salt applied by the Ministry of Transportation and Communications of his government?

Hon. Mr. Henderson: Mr. Speaker, this is the first time the honourable member has brought this to my attention. The information I have on that particular area is the severe weather we had last winter. There was a great deal of damage done to the fruit trees as a result of two very cold days last winter. I understand there will be a much lighter crop of cherries this year as a result of that weather, and other fruit trees are affected as well.

The honourable member is well aware of the insurances that are available. I will look at the situation. But I have to be honest: I have not had this brought to my attention, ever.

Mr. Swart: Is the minister so unaware of what is going on in the agricultural community that he does not know that Mr. Louis Schenck of RR 3, St. Catharines, and Michael C. Rokeby of RR 4, Aylmer, are suing his government for more than \$750,000 for damage from road salt? This has been reported in most of the newspapers.

More particularly, is he not aware of what Justice Sydney Robins of the Supreme Court

said when this case came before him? He said that the Ontario government ought to have taken a more generous attitude to fruit farmers—

Mr. T. P. Reid: Louder, Mel.

Hon. Mr. Grossman: Repeat it, Mel. We couldn't hear.

Mr. Speaker: Order.

Mr. Swart: I quote again: "It just does not seem to me the way a government ought to act to its citizens when it has in its files the expertise that clearly recognizes the danger. And further, I would not think there could have been any doubt but that the ministry is fully aware in respect of salt from at least 1972."

How can the minister condone that kind of action by his government? Will he tell this House what he is going to do about it? And will he compensate the farmers, since Justice Robins himself says the minister's government is to blame, without their having to go to court?

Hon. Mr. Henderson: Mr. Speaker, there were words within there that I certainly did not hear as well as I would have liked.

Mr. Swart: I will repeat it louder if the minister wishes.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Henderson: Just so I can get the records all straight, Mr. Speaker, I wonder if the honourable member will send me all of those documents—all of them—in order that I can review them. Then I will be glad to respond.

POLICING OF MORTGAGE BROKERS

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations regarding a situation that has arisen before, which involves a Mr. Clifford Truax and Vinmar Management Limited.

Has the minister made further investigations into those situations where people have signed contracts based on a certain percentage for interest on a mortgage—12.875 per cent in this particular case—and then have found out later that the mortgaging money cannot be found and that, as a result, they are left out in the cold, they do not know whether to sell their own house and they are given another agreement to sign, possibly with a higher interest rate?

Has the minister investigated this from the point of view of enacting legislation or looking through his own legislation to see whether it is illegal when the mortgage company is not at arm's length? That seems to be the only rung on

which they can hang their hat: whether the mortgage company is not at arm's length from the builder.

Hon. Mr. Walker: Mr. Speaker, I have not specifically looked into that very question, but there is no doubt that from time to time it occurs and that some companies are not at arm's length from the builder. Then again, sometimes that is the only way actually to provide a mortgage.

I remember the case that perhaps brought this to a head involving Canada Homes back in the middle of May and how a solution ultimately came about primarily because the people who did the mortgaging were not at arm's length, and that facilitated the mortgage being given. In fact, it worked to the interests of the home owner in that case; so it was a valuable service.

11 a.m.

I am prepared to take a look at the question and see whether there is any apparent conflict. In giving the member an off-the-cuff view, I do not immediately perceive one. As the member knows, what we are trying to do is establish a standard clause for these kinds of escalating rates. We have received a lot of satisfaction in terms of our dealing with the industry in arriving at a clause. We have now drafted one that was suggested, I believe, by the leader of the third party several weeks ago; that particular clause now is being scrutinized by the Housing and Urban Development Association of Canada itself to see if the industry can live with it. When we have agreement with it, then we will be promoting that clause throughout the province.

We have a fair number of standard clauses, so to speak, just by virtue of the fact that the standard stationers supply those clauses to all lawyers and, in effect, to all people—real estate companies and so on—who prepare offers to purchase. Consequently, we are quite satisfied that there is a fair amount of standardization and that the clauses we ultimately get approved will be satisfactory.

We have to keep in mind all this time that people who purchase homes have to realize that, in these times of fluctuating interest rates, they cannot expect the people who sell their homes to carry the cost if it extends over a lengthy period of time. The purchasers are the ones who have to expect to pick up at least the downside of the fluctuations.

Mr. Bradley: I assume from the minister's response that, even though we do not have general legislation that may cover it, the minis-

ter is prepared to provide the material to intervene in the same miraculous way he did last time.

Hon. Mr. Walker: Yes, if we can pull off the same kind of miracle again, we will try that.

PILLS FOR MEMBERS

Mr. Swart: On a point of privilege, Mr. Speaker: I have been sent a couple of pills—downers or something—from, I believe, the Provincial Secretary for Social Development (Mrs. Birch). I wonder, Mr. Speaker, if you would look into the distribution of drugs without a prescription in this chamber.

Mr. Speaker: Order.

Mr. Swart: May I finish?

Mr. Speaker: That is not a point of privilege.

Mr. Swart: I just want to point out—

Mr. Speaker: Order.

Hon. Miss Stephenson: On a point of clarification, if I may, Mr. Speaker: Those pills were not sent by the provincial secretary but by me. I do have a licence to provide that kind of medication. It was out of real concern for the coronary vessels or the cerebral vessels of my learned colleague, because his ire and pseudo-concern for a number of things tends to raise his blood pressure so dramatically that I did not want him to have an apoplectic fit or a coronary on this day when the Queen Mother is going to be arriving at this building very shortly.

Mr. Speaker: I am very happy to hear it was done on a professional basis.

Mr. Swart: For the record, I would like to ask the minister if she is going to bill OHIP.

Mr. Speaker: That is not a point of order. Will the member resume his seat?

WINDSOR DEBENTURES

Mr. Cooke: Mr. Speaker, I have a question for either the Treasurer or the Minister of Intergovernmental Affairs (Mr. Wells), whoever would like to answer the question. The question deals with the sales of debentures by the city of Windsor or, rather, its inability to sell those debentures.

A few weeks back, the city had a purchaser for \$10 million worth of debentures at 16.75 per cent but, when it came time to actually sign the deal, the financial institution backed out, saying that because Windsor was so reliant on the auto industry, it would not purchase the debentures. I am wondering if the minister and his government would take a look at the situation and, in

view of Windsor's severe unemployment, its dependence on the auto industry, its inability to sell any debentures and its having to get loans from banks at 20 per cent on a short-term basis instead, assist the city by setting up a fund to lend it money since it is one of the few municipalities that has had this very specific problem.

Hon. F. S. Miller: I guess I am the Alphonse of the Alphonse and Gaston act over here. The problem the member is discussing is usually faced by smaller municipalities that have difficulty either raising small amounts of capital or that just don't have a market for their types of bonds. He will find that Ontario has ways and means of helping small municipalities float issues by using the credit of the province. It wouldn't normally apply to a larger city like Windsor; however, I am quite prepared to look into the specific problems of Windsor.

The point the member raises emphasizes in my mind the importance of something that is all too often glossed over by many observers of the Ontario scene, that is, that Ontario itself has always maintained a triple A rating because of good fiscal management in this province, entitling it to the lowest possible rate.

Mr. Cooke: The fact of the matter is that Windsor always had a triple A rating until the recent high unemployment and the downturn in the auto industry. Therefore, will the minister commit himself today to meeting with the municipality to see whether some agreement can be worked out since we are not able to sell any debentures and are having to borrow the money at 20 per cent at great expense to the property taxpayers in the city of Windsor?

Hon. F. S. Miller: I am always willing to meet with municipalities. I suspect if that meeting is required, it would be wise to have the minister of municipal affairs and housing (Mr. Bennett) with me since our fields would overlap.

Mr. Speaker: The time for oral questions has expired.

FOREST CLEAR-CUTTING

Mr. T. P. Reid: Mr. Speaker, on a point of order: On Monday, June 29 I asked the Minister of Natural Resources if he had done anything in his ministry about restricting the size of clear-cuts, a process in forest management when a timber company will cut down every tree and in some cases literally leave a desert behind. I asked the minister at that time if he had got hold of his ministry and was finally running it and

whether he had given directions that clear-cutting be restricted to 320 acres, a suggestion that had been made, I believe, by Messrs. Flowers and Robinson in a report to the Ministry of Natural Resources. They were employees of the Ministry of Natural Resources at the time.

The minister was a little antsy that day and didn't really answer the question, but he might have unwittingly misled the House in indicating that policy had been pursued. The minister indicated that if we had looked at forest management agreements and the operating plans under them, our answer would be had and it would sort of indicate the 320-acre guidelines had been followed.

I have looked at the forest management agreements which comprise only about 40 per cent of the productive land in the province. They don't provide for the guideline of 320 acres, as one might have thought from reading the minister's answer. I wonder if he would like to stand in his place and assure this House that he didn't mean to unwittingly mislead the House and, hopefully, that he intends to bring this policy forward.

Hon. Mr. Pope: Mr. Speaker, I am pleased to reply to that point. I think the honourable member who is suggesting I unwittingly misled the House should have read into the record the precise answer I gave. It was that if he would read the forest management agreements and the regulations that were attached thereto and if he looked at the forest management plans, his question would be answered.

I did not relate that to 1,200 or 320 acres or any other number. I was trying to indicate to him that he would find the answers to the general approach the ministry was taking to the cutting practices in the forest management agreements. I know he has called our staff since then. He could have asked me today if he was still unclear. I do not think I made any statement or implied anything that would mislead the House.

11:10 a.m.

I would reiterate that the forest management agreement embodies some of the principles we intend to adopt with respect to cutting practices in Ontario. There is no absolute standard. It depends on the terrain we are dealing with, on the maturity of the trees involved, on the growth patterns in the area and on a number of other features, including streams, lakes and roads that are in the cutting area. All these items are

addressed in the cutting plan, in the forest management agreements and in the appended regulations to them.

All these indicate the ministry has accepted its responsibility for a role to be played in the setting of cutting standards. It will be done through the forest management plans and in the annual cuts.

There was no misleading of the House whatsoever. It was a clear statement. The honourable member could have asked me today about it if he had any problems with his telephone conversations with my ministry staff. I am glad that two years after these documents were sent to the Liberal Party, someone has finally read them.

Mr. T. P. Reid: On a point of order in relation to that, Mr. Speaker: The minister well knows the operating plans were not attached to the forest management agreements—and I went back and read those agreements—because the forest management agreement in itself does not set out the size of the clear-cuts and how large or small they will be. Those are under the manual of forest regulations, which is not attached to each and every forest management agreement.

I point out again those agreements only relate to 40 per cent of the productive land in the province and not to the other 60 per cent. I think the minister is not doing his job.

Hon. Mr. Pope: If I could reply to that, Mr. Speaker, The members of the Liberal Party have had two years—

Mr. Speaker: We are getting into a debate. I think you have made your position clear.

Hon. Mr. Pope: —and this is the first time they have even taken the time to read those documents.

Mr. Speaker: Order. Mr. Martel.

STRIKES

Mr. Martel: I have a point of privilege, Mr. Speaker, which I think I raise on behalf of all my colleagues.

Mr. Nixon: All of them?

Mr. Martel: Nearly all of them. I would ask the Speaker if he would find out what the Minister of Labour (Mr. Elgie) intends to do in the next couple of weeks to end the postal strike, the Canadian Broadcasting Corporation strike and the baseball strike so that we can receive our mail, watch television and go to the ball game.

MOTIONS

COMMITTEE SITTINGS

Hon. Mr. Wells moved the following standing committees be authorized to meet during the summer recess in accordance with the schedule of meetings agreed to by the three party whips:

The standing committee on resources development to consider Bill 7, An Act to revise and extend Protection of Human Rights in Ontario; the standing committee on procedural affairs, with authority to travel from place to place in September during its review of the standing orders of the House and of the operation of certain agencies, boards and commissions of the government of Ontario; the standing committee on members' services, with authority to travel to Ottawa and Quebec City in early October to review services to members, subject to budget approval of the Board of Internal Economy; the standing committee on regulations and other statutory instruments, with authority to travel to Ottawa to review procedures; and the standing committee on administration of justice to consider Bill 68, the Metropolitan Police Force Complaints Project Act, 1981.

Motion agreed to.

NEW BRUNSWICK CONFERENCE

Hon. Mr. Wells moved that the chairman, vice-chairman and two other members of the standing committee on public accounts be authorized to travel to New Brunswick in early July for a meeting of the Canadian conference of legislative auditors and public accounts chairmen, July 6 to 8.

Mr. Speaker: Order. Mr. Reid.

Mr. T. P. Reid: I would rather be on the procedural affairs committee. May I ask the House leader if that could be amended to say "the chairman, vice-chairman or their nominees"? You may recall I have an event that may be happening about that time and I may be unable to go.

Mr. Speaker: Is that agreed?

Hon. Mr. Wells: Mr. Speaker, I would be happy to make that change, "the chairman, vice-chairman or their nominees and two other members of the public accounts committee."

Motion agreed to.

COMMITTEE SUBSTITUTIONS

Hon. Mr. Wells moved that the following substitutions be made: on the standing commit-

tee on administration of justice, Mr. Laughren for Mr. Renwick, Mr. Philip for Mr. Swart, Mr. Wrye for Mr. Bradley; on the standing committee on resources development, Mr. R. F. Johnston for Mr. Laughren, Mr. Renwick for Mr. Stokes, Ms. Copps for Mr. Kerrio; on the standing committee on procedural affairs, Mr. Pichè for Mr. G. W. Taylor.

Motion agreed to.

SELECT COMMITTEES

Hon. Mr. Wells moved that the membership on the select committees be as follows: on the select committee on company law, chairman, Mr. Breithaupt; members, Mr. Cunningham, Mr. Di Santo, Mr. Hennessy, Mr. Kolyn, Mr. Mitchell, Mr. Pollock, Mr. T. P. Reid, Mr. Renwick, Mr. Sheppard, Mr. G. W. Taylor, Mr. Van Horne; on the select committee on the Ombudsman, chairman, Mr. Runciman; members, Mr. Andrewes, Mr. Barlow, Mr. Boudria, Mr. Cooke, Mr. Dean, Mr. Eves, Mr. Kells, Mr. G. I. Miller, Mr. Philip, Mr. Shymko, Mr. Van Horne; on the select committee on pensions, chairman, Mr. J. A. Taylor; members: Mr. Brandt, Mr. Cousens, Mr. Cureatz, Mr. Epp, Mr. Gillies, Mr. Jones, Mr. Mackenzie, Mr. McClellan, Mr. Peterson, Mr. Riddell, Mr. Williams.

Motion agreed to.

HOUSE SITTINGS

Hon. Mr. Wells moved, notwithstanding standing order 2(d), that the House recess from 12 noon to 1 p.m. today and continue to sit thereafter until the business of the day is concluded.

Hon. Mr. Wells: I might indicate, Mr. Speaker, as we mentioned last night, between 12 noon and 1 p.m. Her Majesty the Queen Mother is being formally received to this province in front of these buildings where the ceremony will take place. The chief of protocol for the Legislative Assembly has said he will keep the top of the steps free for members of the House who would like to go out and witness the event.

Mr. Nixon: Is he providing a light lunch?

Hon. Mr. Wells: No, he is not providing a light lunch.

Motion agreed to.

SUMMER RECESS

Hon. Mr. Wells moved that when the House adjourns for the summer recess it stands adjourned

until Tuesday, October 13, 1981, provided that if it appears to Mr. Speaker, on the advice of the government, that the public interest requires the House to meet at an earlier time during the adjournment, Mr. Speaker may give notice and thereupon the House shall meet at the time stated in such notice, and that should Mr. Speaker be unable to act owing to illness or other cause the Deputy Speaker or the Deputy Chairman of Committees of the Whole House shall act in his stead for the purpose of this order.

Mr. Speaker: Does anybody understand the motion?

Motion agreed to.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 60, 61, 64, 73, 113, 119, 120, 122 and 124, the interim answer to question 141 and the supplemental answer to question 63 standing on the Notice Paper. I would also like to table the answers to questions 138, 139 and 143. This large bundle contains the answers to questions 6, 7 and 8 to 59 standing on the Notice Paper and the answer to question 92. [See appendix, page 2410.]

11:20 a.m.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 105, An Act to amend the Judicature Act;

Bill 106, An Act to amend the County Courts Act;

Bill 121, An Act to provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities.

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Miss Stephenson moved third reading of

Bill 124, An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

Mr. Speaker: All those in favour please say "aye."

All those opposed please say "nay."

In my opinion the ayes have it.

Motion agreed to.

The following bills were given third reading on motion:

Bill 126, An Act to amend the Executive Council Act;

Bill 127, An Act to amend the Legislative Assembly Act.

House in committee of the whole.

PUBLIC HOSPITALS AMENDMENT ACT

Consideration of Bill 113, An act to amend the Public Hospitals Act.

Hon. Mr. Timbrell: Mr. Chairman, before I move a couple of amendments, of which I have given notice, I have a few remarks about a certain gentleman. We resume this discussion with a note of sadness as a result of the death on Monday of Mr. R. Alan Hay, the executive director of the Ontario Hospital Association, who was on a fishing expedition with Mrs. Hay, on Anticosti Island.

Alan Hay has been a major figure in the health care community of Ontario for the past three decades and he will be greatly missed. Following a distinguished career in the tank corps, he came to Canada and settled on a farm near Prescott. He was subsequently invited to join the board of the Brockville General Hospital. He found in the hospital field a challenge for his boundless energy and organizational skills that have been so manifest these past 15 years while he served as executive director of the Ontario Hospital Association. Prior to that, he was president of the OHA in 1964-65, I believe it was, and went on to become president of the Canadian Hospital Association in the late 1960s.

He was only 60 years old and, apart from his war wounds, he seemed in excellent health until Monday when he suffered what appears to have been a fatal stroke. Alan Hay was a man of strong convictions and forthright opinions whose commitment to improving the health care system of this province was never in doubt. He was a man one could profoundly respect, even in disagreement, and his death will be mourned by all of us who share his conviction about our health care system.

I know that all members of the House will join in our expression of sympathy to Mrs. Hay and the other members of his family. I should add that there will be a memorial service next Friday in Toronto. If any members of the House will be in the capital, if they would like information they can get that from our office or the offices of the OHA.

Mr. Chairman, in the interests of brevity, I have a couple of amendments to move to section 1. I seek your guidance as to whether I should move them one at a time or both at once.

Mr. Chairman: I would prefer you to move them one at a time.

Hon. Mr. Timbrell: In moving these amendments to Bill 113, An Act to amend the Public Hospitals Act, it is important to note the following points regarding the bill.

The purpose of the legislation is the reinforcement of responsibility and accountability to the public by the hospitals of Ontario which in 1981-82 will receive and spend more than \$2.7 billion in public funds, including the supplementary funds I announced about a week ago for 1981-82 to assist in meeting the cost of recent arbitrations.

At the present time, this accountability is incomplete. Five years ago in the report of the commission on Laurentian Hospital management in Sudbury, Judge Waisberg indicated that such a mechanism was required. We now have the Report of the Inspectors, Toronto East General and Orthopaedic Hospital Incorporated, chaired by C. J. Clark, which documents the problems that can arise when full public accountability is lacking.

Mr. Clark and his colleagues in this case found we had a board that was not legally constituted to do business. Because hospital membership was set at \$100, only 36 individual memberships and 36 corresponding votes were held by representatives of the community. The hospital also sold multiple memberships and corresponding votes—up to 20 per individual or corporation. As a result, there were 875 votes exercised by staff members, board members and corporate members.

Those who say this legislation is somehow a threat to independent elected boards have, I submit, not completely read the report and seen the difficulties and abuses that can arise in the absence of full public accountability. In saying this, I should re-emphasize that I have overwhelming confidence in the vast majority of our hospital boards and trustees which in almost all cases are truly representative of their communities and do an excellent job.

However, it is conceivable that at any given point there may be one or two out of the hundreds of hospitals that may require assistance. That is the key word—assistance. The intention of this proposal is not a punitive one, but rather one of assisting the hospitals in carrying out their mandates.

The municipal councils of Ontario are democratically elected and are accountable to their local electorates. At the same time, they are also subject to review and supervision under the Municipal Act. No one has ever suggested this provision for accountability is a threat to the elected council. In fact, at any given time there are usually several municipalities under supervision, being provided assistance to get them back on the track.

Bill 113 provides for a similar form of accountability for our hospitals. In the absence of this provision for accountability, we have seen in the case of the Toronto East General Hospital how serious problems can develop even to the point, in the opinion of the inspectors, of threatening the quality of patient care. Having been warned and advised twice by two separate and independent inquiries that this form of accountability is required, we will be derelict in our duty if we fail to act.

Half of the other provinces, under various political persuasions, have already provided for much more regular supervision than we are proposing. In fact, our proposal is the most moderate of any similar legislation and is the minimum required to ensure the quality of patient care and sound management of our public hospitals. I will not take the time of the members to read into the record the statutes of the other provinces. Perhaps their researchers have already got them. If not, I would be glad to provide copies to them.

In summary, protection of the public interest necessitates this legislation. To assist in responding to some concerns that have been raised, I served notice a number of days ago that I would propose certain amendments, the first of which I would like to move at this time.

On section 1:

Mr. Chairman: Hon. Mr. Timbrell moves that section 7a of the act, as set out in section 1 of the bill, be amended by adding thereto the following subsection:

“(4) The minister shall cause a copy of the report of an investigation to be delivered to the chairman of the board of the hospital.”

Hon. Mr. Timbrell: I have one other amendment to section 1, once we have dealt with this proposed amendment.

Mr. Van Horne: I would like to add a few words to those of the minister. First, we indicated when the bill was debated on second reading that we would be making amendments also. As a matter of fact, we have only one amendment to make. The minister received a copy. The New Democratic Party received a copy through the member for Bellwoods (Mr. McClellan) and through the House leader, and also the table has received a copy.

I do not want to speak on our amendment at length at this point, but I would like to add a few words at the appropriate time. In addressing myself to this first amendment of the minister, although we did not agree with this broad type of legislation, we do see this amendment as one that does improve the bill. Therefore, we support it.

11:30 a.m.

Mr. Chairman: Mr. Breaugh, just before you speak: to clarify for the House, it is my understanding under the bill that we have concurred with section 1 setting out 7a(1), (2) and (3) of the act. We are now speaking to the minister's amendment on the addition of subsection 4.

Mr. Breaugh: Mr. Chairman, I do not have a copy of the amendment, but it is rather brief. As I heard the minister read it, I would have no objection to it.

Mr. Chairman: Those in favour of Mr. Timbrell's amendment will please say “aye.”

Those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Mr. Chairman: Continuing on with section 1, we now come to 7b(1).

Mr. Van Horne: It seems to me our amendment should be considered before the minister's amendment, given we are going through this sequentially clause by clause.

Mr. Chairman: I would appreciate it if you would approach it that way, Mr. Minister. I am sorry I do not have a copy of it.

Hon. Mr. Timbrell: Perhaps I could read it and you can decide what order to take it in. Whatever you decide is fine with me.

My motion is that section 7b of the act, as set out in section 1 of the bill, be amended by adding thereto the following subsection:

“(2) The Lieutenant Governor in Council

shall not make an appointment under subsection 1 sooner than 30 days after the submission of the report of the investigation to the Lieutenant Governor in Council:"

and that the present subsections 2 to 8 be renumbered as subsections 3 to 9.

As I understand it, my learned friend wants to move an amendment to section 7b(1), so I suppose that would come ahead of my proposal.

Mr. Chairman: I am sorry, I could not hear it. If I could get a copy of that, I will take your word that Mr. Van Horne's amendment comes first. We are now on section 7b(1).

Mr. Van Horne moves that section 7b(1) of the act, as set out in section 1 of the bill, be amended by striking out "a hospital" in the second line and inserting in lieu thereof, "East General Hospital in the municipality of Metropolitan Toronto."

Mr. Van Horne: I have a few comments to make on that at the appropriate time, Mr. Chairman.

Mr. Chairman: Would you make your comments now.

Mr. Van Horne: Mr. Chairman, I want to take this opportunity on behalf of the party to make it abundantly clear to any of those who missed the debate on second reading or anyone who missed the committee hearing earlier this week that we perceive this legislation to be far too broad. We feel it would be quite appropriate to limit it simply and singularly to the Toronto East General Hospital. We say that for a variety of very good reasons.

First of all, the minister stressed in his comments both today and in the earlier two debates that this is a reinforcement of accountability. When he makes those statements, we have to question how serious the government is when it says in the same breath it wants to see more emphasis on local government and it believes in local autonomy. I do not think these two statements, the need for reinforcement of accountability on the one hand and the determination that there be more local autonomy on the other, are reconcilable statements. I think they are almost mutually exclusive of each other, at least within certain limits.

What this legislation does, in my view and in our party's view, is breathe life back into strong central government. It gives Ontario carte blanche over every hospital in the province. We feel very proud of our hospitals here in Ontario. We are convinced that the health care service, that is the delivery of service, is excellent, if not

the best in the entire world. But what is coming to the surface is that the government wants more control over spending by hospitals across this province. There is no question about it.

We feel that the boards, in attempting to operate their various hospitals with the funds they are getting, and in many cases being underfunded, are doing a commendable job. The government is obviously trying to get some leverage in the control of hospital finances. Really, it is cutting away at the very lifeblood of the role of trustees in our hospitals across the province.

We feel that it would be much more appropriate to limit this type of legislation—and we are not suggesting for a minute that it might not be needed at Toronto East General—to that hospital. If the minister and the government are sincere about local autonomy, they will let the course of events run at Toronto East General with the supervisor. They will then assess the situation and determine what in this bill might need amending later on, and then keep it on the shelf to be addressed to whatever other hospitals might need attention five or 10 years hence.

In the course of listening to the witnesses this week, we have heard some members of the Ontario Medical Association, the Ontario Hospital Association and sundry other groups who said to us almost without exception that this legislation was far too broad. I will close my remarks with a plea to the government, although I am sure it is going to fall on deaf ears, to agree to this amendment so that Bill 113 will address itself only to Toronto East General Hospital.

Mr. Breaugh: Mr. Chairman, we contemplated a similar kind of amendment of our own. We choose at this time to support the amendment put forward by the member for London North, which I think goes directly to the heart of the controversy that surrounds this type of legislation.

The minister has proposed in his bill something far more than a piece of legislation to deal with a specific problem in a specific hospital. I subscribe to the theories put forward by that group of people who strongly believe the legislation before us and the differences that are pointed out by this particular amendment are things the ministry itself has contemplated for some lengthy period of time. The legislation was drawn up well in advance of the report that was done on the Toronto East General.

There is no need for the approach the ministry is taking with this piece of legislation. The amendment puts limits on it which, I think,

are fair and reasonable. There is no denying that the government has, although somewhat belatedly, uncovered a problem in one specific hospital, and I think the members on all sides are quite prepared to grant to the government the powers of inquiries it wants in that one instance. However, we are not prepared to grant the ministry what it so desperately wants at this particular moment, which is far broader than any of us are prepared to contemplate at this time and which uses a technique I would describe very simply as unfair and unnecessary.

11:40 a.m.

The ministry would do well to draw back its horns in this instance, sit down and let a little calm reason enter the picture and to accept the amendment as being pertinent to the situation that is now before the ministry. That is to say, the government has uncovered some difficulties in one hospital, and we are quite prepared to say, "Go ahead and deal with them." But I think it is unreasonable for the minister to exploit this situation and give himself and future ministers a power that is unnecessary, unwanted and undesirable.

The amendment, which is rather simple in nature, goes succinctly to the pertinent point of the problem. The government has something, in a report, which now requires it to intervene in and deal with that situation. The report, as I read it, is not quite the way I have heard the minister describe it. It goes into some detail on problems in one particular hospital. In my view, it also identifies several policy areas within the ministry and funding problems that apply to every hospital.

My reluctance to support the ministry's move to invade the hospital system across the province is very simply that it puts all the eggs in one basket; it gives him a tool he can then exploit at will. I am not prepared to grant that to this minister. I think it has been documented in committees of this Legislature over the last four or five years that there are grave difficulties between the hospitals as they work in the field and the ministry at the centre.

This legislation, particularly if this amendment does not carry, would go through this House and give the minister powers he should not have. In other words, if the minister decides he wants to shut down a hospital, to change substantially the way a hospital functions or to cover up his own funding formulas and the inadequacies that are there, he now has the legislation that allows him to do that.

I am going to make a plea to members on all

sides just to stop the process for a moment and to sit and think about whether we are dealing with the specifics of Toronto East General Hospital and the problems that were uncovered there, or whether we are really prepared on any side of this House to give the Minister of Health what is almost the power to seize a local hospital board.

I have listened to people from the medical association and the hospital association, and I believe they are quite right: the minister is seizing upon an opportunity here; he intends to exploit it to the hilt and provide himself with powers he should not have. If he cares to come before the House, as the Minister of Education (Miss Stephenson) was attempting to do last night, and say, "Here is a specific situation that requires some legislation to deal with it," I think we are all prepared to do that. But I am not prepared to yield that kind of massive interventionary power to the minister.

I ask members on all sides to look at the amendment now before them, which provides for a mechanism to deal with the problem that is supposedly before the Legislature, and to support that amendment, but to go no further and not provide the minister with that kind of tool.

All members, wherever they live, have a hospital board that is going to be affected by the legislation unless this amendment carries. If members went back home and talked to their local hospital boards, their doctors and their nurses, they would plead with them not to support legislation that is so broad and so sweeping and that has that potential to change substantially the hospital system in Ontario. If the amendment carries, members will have accomplished what is necessary at the moment while we are looking at the problem, but to let it go any further than that would be wrong. So I urge all members to support this amendment.

Mr. Conway: Mr. Chairman, like the previous two speakers, I rise to support enthusiastically the amendment that my colleague the member for London North has placed before the committee.

In the interest of time, recognizing that we are going to recess at noon, I want to confine my remarks on the bill in committee to this particular section. I want to say again that I believe firmly and fervently this bill is a very bad piece of legislation. Moreover, I believe this minister is moving in a premeditated way in a direction he knows to be radically wrong.

I want to say again that it represents a departure from a tradition which I believe is

serious and significant in so far as this Legislature is concerned and in so far as hospital-government relations are concerned.

I will not comment at any length about the kind of legislation we have been receiving in the dying days of this assembly because I commented briefly last night on Bill 105. I did not speak to Bill 124, but those two and Bill 113 represent a very seriously bad kind of legislation in some critical respects.

The minister knows there is agreement on all sides to move legislatively, as this amendment would have us move, against one particular hospital. It might be, quite frankly, that legislation to deal even with that situation is not necessary, although I am prepared to give the minister the benefit of that doubt.

The other day in question period I asked him to table in this chamber an opinion from his law officers or those in the ministry of the Attorney General on specifically how it is that the current legislation is deficient in providing him with the kind of interventionist authority he feels he requires. I do not yet have in my possession that legal opinion. Perhaps I will have it some day, but in the absence of that opinion, I am loath to give this minister the kind of authority he is requesting in Bill 113.

I have listened to this minister for almost four and a half years now. While we have disagreed on many occasions—not all, but a significant number of occasions—I have been impressed generally by the quality of argument he has offered in support of his case. Never have I heard the very distinguished Minister of Health enter a debate with such flimsy, shabby, transparently poor argumentation as he has offered in defence of this very important radical legislation. He never has been worse. Never has he made such a poor case to support his bill. I think that is important, and I want to say that to him personally.

I want to say that I note as well how the minister's argument has changed. He began, as he ought to have begun some days ago, enjoining all members of this assembly to respond with him to the specific problems at one Toronto hospital. In that concern he got a unanimous response. Over the intervening days his argument has changed from the matter of the Toronto East General—the matter of specific concern—to this amendment. His argument has changed from a concern about that specific hospital to an interesting new and more general concern about the need to improve the provisions in this assembly for the public accountability. He spoke to that as well today.

I want to repeat now, as I have said earlier, that for a Minister of Health on behalf of a government that is approving \$2.7 billion to the public hospital sector, that is an important and understandable concern. It is a very important matter of public policy, as I know all honourable members here present will agree. It is a very significant matter that deserves significant attention, and not the kind of last-minute attention that this bill is going to be afforded in the dying days of the spring 1981 session of this Thirty-Second Parliament of the Legislative Assembly.

The Minister of Health has an extremely important point, and I say to him, like the member for Oshawa (Mr. Breagh), if that is the debate he wishes to enjoin, to begin, let him accept this amendment and come back at a later time, at his convenience, to engage in a debate about that very issue: how it is the assembly and the government ought to have a greater degree of public accountability. He may have a compelling, cogent case, but I have to tell the minister that in the past few days he has not made that case.

11:50 a.m.

He said that five years ago Judge Waisberg produced a report, which we all remember, about a particular hospital in northern Ontario. The special assistant to the Minister of Health nods his head in the affirmative. That was a very interesting report by Mr. Justice Waisberg five years ago, but what strikes my interest now is that we dealt with that hospital and its problems without this kind of legislation.

I think it is incumbent upon the Minister of Health and his staff to tell me in committee how it was that we solved the problems at that hospital five years ago without this kind of legislation. I have not yet heard how that was accomplished. That is the kind of case this minister and this government are going to have to make to justify general legislation on this very critical component of public policy in the health field. I am prepared to say he may have a case. All I am saying is that he has not yet made it.

I have to note as well the testimony made in committee on Monday of this past week by a range of people who have had a long and positive experience not only in this sector but also, as they said themselves, with this government. Those members who were there will remember that the Hospital Council of Metropolitan Toronto observed, when we questioned the limited review and lack of consultation throughout the development of this legislation,

that this was a significant bill that was being proceeded with without the normal consultative process that, to this minister's credit, has characterized most of his activities in years past.

I ask, and very properly so, why the rush? Why the lack of consultation? What is wrong and deficient with the Public Hospitals Act as it stands? Why not move in stages to take this amendment to deal with the problem in the here and now, and come back to the Legislature at another time for a more serious and more comprehensive discussion of the issues at hand?

Much more to the point was the brief made by the Ontario Hospital Association. I am only going to touch upon some of the rather interesting and colourful language contained in that brief.

Reading from page two: "The Minister of Health evidently believes this too, and has referred often to the importance he attaches to the partnership of hospital boards to this ministry." The brief goes on to talk about the way in which this particular bill will impair "the historic and positive partnership between the Ontario Hospital Association and this government." The brief says later, on page three, "In its original form, the bill was written in such a bluntly offensive manner. . ."

We have the Hospital Council of Metropolitan Toronto decrying the lack of consultation, and we have the Ontario Hospital Association talking about the bluntly offensive manner of some of this drafting.

We go on to read about how "the legislation might very well be and is, in fact, injurious, unnecessary and insulting." That is from the Ontario Hospital Association. I will not even bore the minister with what the medical association and others have had to say. I just come back to my main point: why the rush?

The other day, I read into the record the remarks of the St. Catharines Standard in its editorial of Thursday, June 18, about the unneeded and dangerous principle to which Bill 113 speaks. That editorial concludes: "The Ontario government does not need this new and outrageously authoritarian legislation."

On June 30, the Toronto Globe and Mail editorial takes a similarly definite and very negative view of this particular bill. Just about everybody out in the community is asking, why this legislation under these conditions?

I suggest the member for Oshawa is absolutely right when he says that the government has a very ulterior motive in Bill 113. I think it is an extremely serious matter, and it would

behoove every member of the assembly to scrutinize and seriously consider the reasonable measure proposed by my colleague in his amendment to the legislation being addressed at this moment.

The minister, I know, has been informed of this range of complaints. Almost in the style that characterized his famous Bill 19 initiative of two years ago, he has apparently decided that this is the rock upon which he will build his reputation for fiscal restraint. That is the only possible argument that would justify such a radical departure from his government's and his own traditional approach to these very people, all of whom are denouncing what he is up to.

It is a bad bill. It is a bill that goes too far and that ought to be resisted vigorously by every single member of this assembly who has one whit of concern about the integrity and the autonomy of local hospitals in this province. At the very least it ought to be the considered response of all members opposite to view seriously the amendment being proposed by my colleague the member for London North as a compromise to deal with the problems of Toronto East General while at another time the assembly proceeds with the more general policy questions spoken of.

In conclusion, if this amendment fails and if this act as currently constituted passes, it will be, as many have suggested, a serious and potentially fatal blow to the volunteer sector of the many community hospital boards across this province. To those 4,000 hospital trustees, I can only say, if this bill passes, "Ask not for whom the bell tolls; it tolls for 4,000 of thee."

Mr. Chairman: Before I recognize another speaker, shall section 7a of the act, as set out in section 1, as amended, carry?

Agreed to.

The House recessed at 12 noon.

1:02 p.m.

Mr. Bradley: Mr. Chairman, I would like the opportunity to add a few remarks to this debate, which has seen some rather extensive comment both in committee and in the House. I would like to share with members of the House the feeling I have gathered in my own community—and I am sure it is a feeling gathered across the province—of grave concern that the provincial government, through the Ministry of Health, is attempting to extend its control of hospitals in the province even further.

I think we all recognize how important is the role the ministry plays at the present time. The

province has a legitimate desire to see that funds are spent in what it feels to be an appropriate fashion, meeting the goals set out by the Ministry of Health.

I think people—not just those directly involved, but also those not directly involved in the operation of the hospitals—see this as a movement towards centralization as opposed to maintaining the local autonomy this government has talked about as being desirable. Whether legitimately or otherwise, I think some feel it might well be an effort by the government to silence some of the criticism of the ministry through some form of intimidation. This is a view expressed by those who serve on hospital boards, by some in administration and by members of the medical profession.

Many people feel this government is using the situation at Toronto East General Hospital as an excuse to extend the influence of the ministry right across the province into the hallways of all Ontario hospitals. People in smaller communities particularly, but also some in larger communities, are annoyed because many of the hospitals were started with locally generated funds through foundations and fund-raising efforts.

They also feel some of the capital additions, in equipment particularly, were made with the assistance of local people. They become very concerned when they see the province wishing to extend its control of local hospitals even further through legislation of this kind. Many of these people pride themselves on the fact they have been able to build in their own communities, with their own resources and through their own people, what they feel is an excellent hospital situation. Of course, they receive assistance from the province now through the operating fund.

I was somewhat pleased to hear the member for Sudbury (Mr. Gordon) last night say that people in his government looked upon themselves as those who wanted to see less government and less legislation interfering in the every day affairs of the province. Yet this bill seems to move in the opposite direction by bringing forward further legislation which we in the opposition feel is not necessary.

I am annoyed, as I know many are, with the timing of the bill. I recognize what has arisen, but I know that the situation at East General has been pointed out to ministry officials for some time. Here we are in the dying day of this session—not even the dying days any more—dealing with a very important piece of legisla-

tion, but we do not really have the kind of time we would like to have to deal with it in great detail.

This is certainly not the kind of bill that would be introduced in a minority parliament because I think the minister recognizes that it would never pass in a minority parliament. He would have to withdraw all other provisions and he would have to accept the amendment put forward by the member for London North (Mr. Van Horne).

I hope he will accept this amendment in order to allay the fear of people across the province that perhaps the government is trying to take over control of the hospitals to a much greater degree than it has before now. Perhaps I am being Utopian in believing that this would happen in a majority situation, but I suppose there is always hope where there is life. Very briefly, I support the amendment by the member for London North as being a very reasonable, constructive and necessary amendment.

As the St. Catharines Standard noted in an editorial, from which I will quote only briefly because my friend from Renfrew North (Mr. Conway) has done so extensively: "It will be a dangerous move if the Ontario government empowers itself to move in on any hospital any time it chooses to take charge when it deems such control to be, as the vague phrase puts it, 'in the best interests of the public'."

This bill is not in the best interests of the hospitals of this province and it is not in the best interests of the public. Therefore, I urge the minister to accept an amendment that would make it a good bill.

Mr. Renwick: Mr. Chairman, I will speak just briefly about the bill because the East General Hospital serves the area that I represent in this assembly, as it does that of the Minister of Labour (Mr. Elgie) and that of my colleague the member for Beaches-Woodbine (Ms. Bryden).

I think the bill is an unwise bill. The minister would be well advised not to proceed with it. But since he is determined to proceed with a bill that would provide this extensive authority over all of the hospitals in the province, I can constrain myself to support the amendment put forward by the member for London North.

I do so even to that extent, however, with some degree of reluctance because the method I believe the minister should have pursued is one of model and example rather than this process of insisting upon the appointment of an official supervisor for that hospital. When one looks at the report one can understand that the

hospital needs, and I am sure welcomes, a catalyst in the form of an outside person who will provide an atmosphere and a framework that will bring about some very necessary changes in the fundamental management and administration of that hospital.

That is not to criticize those who have laboured in that hospital for a long period of time. I think it has become immensely ingrown, as is indicated by the figures on the composition of the membership and the composition of the board of directors of that hospital, and by the failure within even that restricted and shrunken area to abide by its own rules with respect to the establishment of the board of directors and the management of the hospital.

I am certain, and the minister has said as well and the report reflects it, that there has been the utmost co-operation throughout the whole period from the time of the request by the hospital for the inspectors to review the hospital. I understand that there continues today to be the utmost co-operation with the person who is designated as the supervisor.

I think, however, that the extent of the bill, the attempt to use this as an occasion for the extension of the authority of the government over all of the hospitals, flies right in the face of the policy of our party because if there is one theme which runs through the health policy of the New Democratic Party, it is its emphasis on community.

1:10 p.m.

It is quite sad to think that even as recently as the 1920s the community organization which came together to try to get a hospital in the east end of the city was a widely supported, community-based organization which has shrunk in such a dramatic way over a period of years.

I would have preferred personally that by model and example, and with co-operation, that hospital could have straightened out its own affairs without having the force of law behind the appointment of the person who is going to be the catalyst for the remodelling and restructuring of the organization and administration of that hospital.

I will support the amendment because I do not want to see it extended elsewhere. However, when the work of reorganization of the Toronto East General Hospital is completed, I hope the minister will undertake—and I do not mean in terms of the legal authority in the bill—to file a full report, not so much in the sense of that specific hospital but to show us that out of the

travail of that hospital can come some kind of model with respect to the organization, structure and administration of other hospitals.

We cannot force every hospital into the identical model. At the same time, if we had a model from the Toronto East General Hospital of how a hospital should operate, how it should relate to the community and how it should act in response to the community, I think it would be an immense step forward.

The minister said he discarded the view of packing the board. I am certainly glad he discarded that as a method of achieving the results he wanted. I want to set that aside, but I think one of the fundamental reorganizations that must take place in that hospital is to extend the extent and degree of community involvement in the work of the hospital.

When one reads the figures set out in the report on pages two and three, one finds that about 70 individuals with about 117 votes amongst them control appointment to the board. I have carefully left out the additional 101 corporations that have 794 votes. However, since that hospital had so narrow a base of relationship to the community and as so many of those persons who are members of the hospital, and therefore have legal authority to elect the board of directors, are members of the staff or employees of the hospital, one can see the way that ingrown management has failed to maintain the kinds of standards necessary in the province to serve the community.

With some reluctance I support the amendment. I have no reluctance in not supporting the bill. I would ask that this be used for the purpose of developing a model of the kind of hospital administration we need. I think that needs to be said clearly by the minister. I hope he will say it in his closing remarks in the committee of the whole House. I hope he will reaffirm that he has had the utmost co-operation from those who have been working in and with the hospital during the course of the examination which took place by the inspectors and since he put in the designated person who is to be the supervisor or catalyst for change in that hospital.

With those brief remarks and because of my riding's intimate involvement with the hospital as a community institution of long standing and of great value, I will support the amendment put forward by the member for London North (Mr. Van Horne).

Mr. Elston: Mr. Chairman, I have a few brief remarks. I also rise to support the amendment put forward by my colleague. I think the

concern a good many people on this side have is about the potential that exists, once legislation of this nature comes into existence, of this bill being used later on for some purpose for which it was really not designed.

I think right now of the difficulties that local boards have in dealing with restrictions on finances. I can think of examples where the local boards in their dealings with the ordering of their affairs in their local hospitals did not agree with every aspect of the policies set down by the Minister of Health. In our area, in hospitals that serve parts of my riding, we had a situation where decisions were made at one time or another to close particular hospitals or to eliminate certain beds from those hospitals. The local boards in those cases took some action which would not have been, in the eyes of the people in the Ministry of Health, in the public interest as far as they might interpret it.

There was a great deal of individual initiative by the people who were elected as board members to resist certain policies of the Minister of Health. At that time, I lauded the efforts of those local boards—and I still laud them—to maintain their integrity. I have always been a supporter of strong local initiative when it comes to governing the residents of my area, and I shall continue to uphold that right.

With this legislation in place, it puts over the head of any member who is elected to the local board the feeling that he will be coerced at some point or another by the ministry over one particular policy or another, if he does not change his views and side with the ministry. I know there were some suggestions at the time the hospital bed closure matter was being considered in our riding that resort would be made to packing the board with extra nominees of the ministry, and I know those suggestions met with a great deal of resistance by the people of our area.

I know the minister has also received correspondence from at least one hospital in our area concerning the legislation, asking that it not be put in place. I support that move by the local hospitals. I support the things that have been more eloquently said on a number of occasions when we have been dealing with this particular legislation. I just want to point out, as well, that when we have legislation of this nature in place, at one point or another as the weeks move into years and the years pass by, the original purpose of this general sort of legislation becomes blurred in the eyes of the public. At some point, it can be taken out of storage and relied upon by

a particular person, who may not be as enlightened as our current Minister of Health is and who might use it for a purpose for which this minister and this government espouse it will not be used.

I can look back to a few weeks ago when in the justice committee we were told that a particular member of the Conservative Party, in his role as a solicitor for a particular municipality, used a little-known provision of the Municipal Act that had been passed many years ago to incorporate certain provisions in building bylaws to get around some ministry restrictions in force at that time. I have a feeling this legislation, even if it is not used next year or the year after or whenever, at some time may be dug up by a more devious person and used to the detriment of the public of Ontario.

I know the current minister has espoused the fact that it will not be used to the detriment of the public of Ontario, but I know, as we all know, that the minister will not always be the Minister of Health. I can understand that he will probably be making every effort to move on to other endeavours. However, I just want to point out the possibilities that exist for the use of this legislation to the detriment of the public. I want the members opposite to consider very thoroughly the amendment that has been put by my colleague and to give it support so that this legislation can be limited to the particular case for which we have information and facts on which to base our decision to intervene in the affairs of that particular institution.

1:20 p.m.

Mr. T. P. Reid: Mr. Chairman, the minister will be happy to know that I, too, will be very brief. I rise to support the amendment. Ordinarily, I might not rise except to try to emphasize, as has everyone else who has spoken on Bill 113, that we feel very strongly that the minister does not require this kind of blanket legislation.

The minister's response has been that he has to have some accountability from the hospitals across the province because he is funding them. I do not want to get into a debate with the minister about the accountability of some of his civil servants before the public accounts committee, but that is something, it seems to me, which he should be more concerned about than he is with the hospitals, which are locally run and in most cases have an elected board of directors. We do not disagree that there should be accountability as well to the Ministry of Health because of the funding that they get, but we feel that this is not necessary.

It is interesting that I asked the Minister of Labour (Mr. Elgie) if he intended to bring in legislation to disallow doctors to go on strike if they were dissatisfied with the negotiations between the Ministry of Health and their association. The Minister of Labour said, "We do not need that because it is not required. If that situation arises, we will deal with it specifically at that time."

I suggest to the minister that the same argument pertains in the present case. We have one specific situation that should be dealt with, the Toronto East General. This bill should not give the minister or the Ministry of Health a weapon or a tool or a possible blackmail threat, which is how some of the hospitals in the province view this, that will be held over their heads if they do not comply with some of the policies and suggestions that the minister makes to them.

My friend the member for Huron-Bruce (Mr. Elston), who just spoke, suggested that there may be ministers who are more devious. Perhaps I would agree that there might be in the future. They might be a little more Fascistic, if I can use that term.

Hon. Mr. Timbrell: Like a what?

Mr. Nixon: Like a Fascist.

Mr. T. P. Reid: Like a Fascist, for the minister. They might use Bill 113 as a real weapon to bludgeon the hospitals into line.

I add these few words to say that I support the amendment put forward by the member for London North, and I would impress upon the minister that there is within the hospital community, within many of these volunteer boards, a very strong feeling of repugnance against this bill. We suggest from our side that it is certainly not required.

Mr. Nixon: Mr. Chairman, I want to remind the minister that his predecessor, now the Treasurer (Mr. F. S. Miller), had felt at one time that he had complete powers over the various public hospitals in the province. He went into, I believe, seven communities with instructions that certain hospitals be closed. Among those hospitals was the famous Willett Hospital in Paris, but because of the strong outpouring of resentment from the community the government saw fit to change its view and remove the closure order.

There were, however, three hospitals, I believe, where the closure order was contested in the courts on the basis that the government did not have the power to close those hospital. In fact,

the courts found that that was so. The argument has been put that the hospitals were created by the communities themselves. When the minister compares them with municipalities, the comparison falls down since the Legislature itself created the municipalities and in the last analysis is responsible for their decisions and their financing.

The hospitals are different. Most of them—I would not say all of them, but most of them—were built on the initiative of the municipalities or individuals in the municipalities. Their largest and most important capital works were financed by local subscription or on the basis of local tax payments. It, therefore, seems to me that the argument put forward by the minister, that the hospitals, like the municipalities, should be subject to his direct supervision, falls down and is really not supportable by the members of this House.

I would simply bring his attention to the fact that the mistakes that might have been perpetrated by his predecessor in closing those hospitals were stopped by the law at the time, which found that the minister did not have life-and-death powers over our public hospitals.

I believe that on occasion he must take over the supervision of a hospital where there is clear indication by a report that such supervision is required for the public good. But blanket authority of the type he is asking for is not called for and is not healthy for the whole community, let alone the hospitals themselves, which are anxious to have an opportunity to maintain their high standards, their world-class standards in service and, in many respects, efficiency.

I hope the amendment of my colleague the member for London North will carry because we do not want to interfere with the minister's belief that he must provide direct supervision for the East General Hospital, although there are certain arguments that could even be put in that regard. I do hope the amendment as put forward will be supported by the House.

Mr. Riddell: Mr. Chairman, I would be remiss if I did not express the concerns of the people in my riding over this bill. I know if the minister would give consideration to the amendment which Mr. Van Horne proposed he could allay their fears.

It was not very long ago that the Ministry of Health endeavoured to close hospitals in my riding. They were successful in closing the Goderich Psychiatric Hospital, which was acclaimed by a professional medical group with its base in England to be the best hospital of its

kind for the treatment of psychiatric patients. That was the very hospital the ministry chose to close.

Then they marched into Clinton. I happened to be there when the minister came and announced that he was going to close that particular hospital. He was not given a very good reception, and just a short time after that the minister suffered some bad health. I do not want this minister to go through that same siege of bad health by going along with this bill. I have a feeling that this is really coming through the back door on the part of the ministry to try to close hospitals.

What the minister will do is take over the administration of a hospital, saying that it is not being conducted in the best interests of the people. Once he gets hold of the administration, he will then endeavour to close that hospital if he feels it should no longer exist. This is the type of fear the people have if we go along with this total authority he is giving himself to take over the administration of hospitals.

I just want to let the minister know that if he will go along with our amendment, he will allay their fears. As long as he insists on giving himself the authority to step in and take over the administration of these hospitals, then our people are going to be very worried, knowing that at one time their hospitals were being threatened with closure and knowing now that the minister, at any time, can step in and take over the administration of a hospital.

If he is going to hold firm to his bill, then I want the minister to stand in his place when he winds this thing up and tell the people that there is no danger of their hospitals ever being closed because of the passage of this bill.

Mr. Sweeney: Mr. Chairman, I received a call a couple of days ago from the medical director of one of our local hospitals. He was rather agitated because, as a medical person in our community, after having spoken to the board of governors of that hospital, he could see where they were potentially threatened by this, and felt unjustifiably threatened by this.

1:30 p.m.

That really is the point we have tried to make over and over again. The minister has told us so many times, and having worked with him on a number of occasions, most of us have reason to believe him, that his intent simply is to deal with the present problem and simply to have something ready in case it is ever needed, but he highly suspects it will not be. That is one side of the equation.

The other side of the equation, the one that we are trying to bring to the minister's attention is that the perception outside of this Legislature everywhere, whether we are talking to citizens or medical people or boards of trustees or the kind of people who came before our committee, is that he wants to grab control. That is the whole problem. That is the issue that is at stake.

What we are trying to say to you over and over again, Mr. Minister, is that you have a very specific problem which has been recognized. I have not heard a single speaker get up yet and say that they do not accept that particular problem and are not prepared to deal with it legislatively. What they have not accepted and what they are not prepared to accept at this time, given the evidence that you have laid before us, is that there is a need for this general kind of legislation.

There are thousands of people outside, within a minute of this Legislature, who are associated with the hospitals of this province. They are all doing the best job they possibly can with the money that you make available to them. You, yourself, have said and my colleagues on this side of the House have said, generally speaking, the hospitals are doing a pretty good job. What you are going to do with this piece of general legislation is to reduce morale because of the way it will be perceived by those out there.

As politicians, all of us in this room know how important perceptions are in relation to reality; we know how important that is. What is perceived out there is that threat; and it is so blooming unnecessary because you know any time you want to over the next three or four years, if you can come into this House and make a case for something like this general legislation—and my colleague from Renfrew North (Mr. Conway) made the point so well earlier—you can get that legislation passed. There is no emergency here. No case has been made. There is no reason at this particular point in time why you should want to do this. If you have some reason, if you have some evidence that it may be necessary, then bring it before us. It is not there now.

The thing that I am genuinely concerned about is that a lot of good men and women who presently are on the boards of governors of hospitals across this province are going to turn to each other at their next meeting and say: "Why bother? Obviously, we are not being trusted. The job that has been given to us is not one that we can be trusted to do."

They are all busy people. I do not need to

remind the minister of the kind of people, generally speaking, who sit on the board of governors of these hospitals. They are businessmen. They are community people. They have lots of other things to do with their time. I really fear that these are the kind of good, decent community-minded, hard-working people who are going to say, "Why bother?"

I am prepared to predict at this point in time that if this bill goes through with that unanimous negative opposition to it, there are going to be resignations in boards of governors of hospitals around this province that I do not think you expect. I think that will happen. You are going to pay a price you should not have to pay and which is not necessary. Let us deal with the specific case now and if we need to deal with the general later on, let us deal with it then.

Hon. Mr. Timbrell: Mr. Chairman, I would like to just take a minute or two to respond to some of the points raised. First of all, let me deal with some of the points made by the last couple of speakers. I am aware of the concern that has been expressed by a number of organizations, boards, medical academies and so forth in various parts of the province, to which the member for Kitchener-Wilmot referred. I would remind members that when the OMA and the OHA appeared before the committee, on Monday evening I believe it was, their position was that there should be no legislation at all, that there was no need for legislation even for the Toronto East General Hospital. I think there is general consensus in the chamber, given the extent of the problems identified by the team of inspectors, as they indicated, that nothing short of bringing in some outside assistance could ensure the problems would be corrected.

Mr. Nixon: Our inspectors could have done that.

Hon. Mr. Timbrell: Mr. Chairman, I sat here all morning listening. I would just like to respond. There is no question of trust. The fact is we not only trust, but we also endorse the efforts of the 235 volunteer boards in the province. We believe it is responsible to say to trustees that there may well be times when an individual hospital will experience such difficulties and such problems that it cannot correct the problems itself and will need some outside assistance.

Under the present legislation, there is provision for the appointment of inspectors. The inspectors' powers, however, are rather limited as far as the correction of any problems that

would arise is concerned. In fact, they are powerless if the board and the administration refuse to deal with or to follow their advice. I would remind the members that this legislation is several stages removed from an inspection. The provisions for inspection would remain in the legislation. If the inspection turned up problems or signalled problems of a bigger order than an inspector could look after, then the legislation provides that the cabinet may appoint an investigator, which is going one step further and involving all my colleagues in the executive council in a decision to move further.

Only after the delivery of a report and—if this amendment fails and an amendment I am going to propose after that passes—only after 30 days could the cabinet act. Again it is the cabinet, not the minister. I appreciate the expressions of confidence, whether intended or not, expressed by several members opposite in my own person in this ministry. The concern would be that perhaps at some time in the future there would be a minister who would not have the same confidence of the hospital community that I have enjoyed in the last few years.

I submit to members that an investigator and ultimately a supervisor could only be appointed with the approval of the cabinet and, in the case of a supervisor, only after a minimum of 30 days after the production of the report. Those are two very significant safeguards to assure the hospital community that the power would not be abused, any more than the same power with respect to charitable organizations that come under the Ministry of Community and Social Services and under the municipalities has been abused in those respective fields.

I want to say to the member for Huron-Middlesex (Mr. Riddell), as I have said on a number of occasions before, that it is not the policy of this government, and I do not anticipate that it will ever again be the policy of this government, to promote the closure of any hospital in the province operated under the Public Hospitals Act. To be sure, in some communities, hospitals are talking now and may talk in the future about merger. I fully encourage some communities in, and expect to see, the eventual construction of single hospitals to replace two hospitals that exist at present, in order to maximize the potential in the community. That is quite a bit different from the concern members have, which I not only understand but accept and have responded to with the statement I just made.

A number of members have talked about this

legislation with respect to fiscal restraint, in the words of the member for Renfrew North (Mr. Conway), and the member for London North (Mr. Van Horne) referred to control over hospital spending. The member for Huron-Middlesex and one or two others—I think the member for Huron-Bruce (Mr. Elston)—referred to the closure question.

1:40 p.m.

We are not talking about legislation to control finances. The fact is, the ministry sets the net ministry liability for a hospital and we from time to time adjust that net ministry liability, as I announced last Thursday, for things such as the current arbitrated settlements with the hospital workers. In that way if the money is not flowed then the hospital has to cut the cloth according to the pattern dictated by the money available.

This legislation is not dealing with controlling net ministry liability. It is not controlling borrowings or anything of the sort. We are talking about situations like the East General or like Laurentian.

By the way, the member for Renfrew North referred to Laurentian, saying, "That was solved without this legislation." That was solved because the chairman went to jail and the board resigned. That was a pretty drastic step.

This legislation is to deal with those situations where, for whatever reasons, hospitals find themselves with administrative and managerial problems from which they simply cannot extricate themselves without some assistance.

To go further, the member for London North referred to *carte blanche* and Mr. Bradley and Mr. Conway quoted from the editorial in the St. Catharines Standard—it is a wonderful newspaper, I know—which started off by saying, "Any time it chooses, the ministry or the government may do X, Y and Z." The fact is it is not *carte blanche*, it is not any time it chooses; there are a number of significant steps that would have to be gone through before one could even get to the point of considering a supervisor to go in and to assist.

Let me say again, that assist is the operative word. So many people, and I understand this, are apprehensive and looking at this legislation in a punitive sense. It is not meant in a punitive sense. It is not cast in a punitive sense.

Mr. Van Horne: On a point of order, Mr. Chairman: I am sorry to interrupt the minister, but I think I must get this on the record at this time. The references made by the member for

St. Catharines (Mr. Bradley) and myself to that kind of authority were intended, if not stated clearly, to be that kind of *carte blanche* that the minister would have without any further reference to this House. Once this is passed, and this is certainly my intention and I am sure the intention of the member for St. Catharines, there is no need for the minister to come back to this House. It is cabinet, et cetera, but not the House, and that point should be made clear.

Hon. Mr. Timbrell: Let me just deal with that then, because the authority has existed in the act for years with the appointment of inspectors who, as I already said, really can only go so far.

The concern has been expressed by several members opposite about harassment. I think the member for Rainy River (Mr. T. P. Reid) used the expression, "possible blackmail threat." The member for Huron-Bruce said the boards can be coerced and he also said there is potential for abuse. Surely that potential is there in the current authority for inspectors. If this ministry had a predisposition to harassing the hospitals, to trying to bludgeon them into submission, then the opportunities have been there for years for me and for my predecessors, all 12 of them, to use the authority in the act to appoint inspectors simply to harass them. We have not done that and we are not about to do that.

We are talking here about completing the balance of the remedies available to a minister and a government if, as in the case of Laurentian five years ago and East General now, things get so bad that the hospital needs some outside assistance to extricate itself.

I had occasion to run into the administrator of the East General Hospital on Dominion Day at our celebrations in East York and I must say I was impressed. I must put it on the record that I feel this gentleman has been badly abused by some of the press. I do not think that calling for his resignation or his head is the answer. I think as an administrator he inherited a great many problems and, as he indicated to me on Dominion Day, he wants to get on with the job. I think the board feels the same way; it wants to get on with the job and straighten out its problems and it wants to restore the public confidence in that hospital. The member for Riverdale (Mr. Renwick) is right that people really do think of it as their hospital. It is an institution representative of some considerable proportion in East York and in the east end generally.

It will come as no surprise to my friend the member for London North that we do not

accept the amendment. We believe this is a reasonable proviso. I have tried to acknowledge and respond to the concerns. As I said in the House today, they are based on fear.

I recognize it will take nothing short of the actions emanating from this and nothing short of the actions that have gone before—the fact that we have not used existing authority for inspectors in the Public Hospitals Act in an abusive way—to allay that fear. We have not abused this type of authority with respect to municipalities or social service agencies and we are not about to abuse it with respect to the hospitals.

This bill will complete the balance of accountability. If anything, I submit it should enhance local autonomy and the role of the board in reinforcing what is expected of it with respect to the expenditure of a large amount of money. I would remind the House that expenditures on hospitals come to about \$8 million every day of the year in this current fiscal year.

That is growing year by year. This year it has increased by 12.1 per cent over last year. It is a very large amount of money that we entrust to volunteer boards which do not have full-time board members. We would not entrust that to them if we did not trust them, to answer the concern expressed by the member for Kitchener Wilmot. We feel this will give them and us the full balance necessary to satisfy the public we all serve that the affairs are in hand.

Mr. Van Horne: Mr. Chairman, I have a final point. I am not going to call it privilege or order because I think it is simply a point that has to be made. When the minister says, "This will enhance local autonomy," I think he forgets that at any time the government intercedes to allow itself entree into any situation in any municipality in this province without reference to a situation such as we have here now—a process of debate within this chamber—then he cannot be enhancing local autonomy. He has put government in the place of local autonomy. I am sorry but I cannot agree with him on that last point.

Hon. Mr. Timbrell: Mr. Chairman, I cannot take long because I have to receive the Queen Mother at Women's College Hospital.

When I look around on this side—not so much over there—there are many of us who have served on municipal councils. I see the former mayor of Pickering, the former mayor of Sudbury, the former deputy mayor of Ottawa, the former budget chief of the city of Toronto, the former reeve of Gore Bay and so forth.

The point I am trying to make is we all served in municipal government in the full knowledge that in exceptional circumstances there were provisions for the province to step in if that was necessary. We are not talking about anything that is any different from that. That has not inhibited the municipalities; it has not stopped the attraction of good people to the municipal councils any more than it will detract from good people serving on hospital boards.

The Deputy Chairman: Those in favour of this amendment will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

The Deputy Chairman: Hon. Mr. Timbrell moves that section 7b of the act, as set out in section 1 of the bill, be amended by adding thereto the following subsection:

"(2) The Lieutenant Governor in Council shall not make an appointment under subsection 1 sooner than 30 days after submission of the report of the investigation to the Lieutenant Governor in Council;"

and by renumbering the present subsections 2 to 8 as subsections 3 to 9.

Motion agreed to.

Section 1, as amended, agreed to.

1:50 p.m.

On section 2:

The Deputy Chairman: Hon. Mr. Timbrell moves that the bill be amended by adding thereto the following section 2:

"For the purposes of section 7b of the Public Hospitals Act the report dated June 1981 by C. J. Clark, L. D. Wadsworth and P. B. Blewett in respect of Toronto East General and Orthopaedic Hospital shall be deemed to be the report and investigation under section 7a of the Public Hospitals Act as has been submitted to the Lieutenant Governor in Council on June 15, 1981,"

and by renumbering the remaining sections of the bill accordingly.

Motion agreed to.

Section 2, as amended, agreed to.

Section 3 agreed to.

Bill 113, as amended, reported.

On motion by Hon. Mr. Timbrell, the committee of the whole House reported one bill with certain amendments.

THIRD READING

The following bill was given third reading on motion:

Bill 113, An Act to amend the Public Hospitals Act.

METROPOLITAN POLICE FORCE
COMPLAINTS PROJECT ACT

Hon. Mr. McMurtry moved second reading of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

Hon. Mr. McMurtry: Just very briefly, Mr. Speaker, I am advised by my House leader and the chairman of the justice committee that some 13 days have been set aside in the justice committee for this legislation. I expect it will have a very full discussion at that time, and as well we will receive a number of briefs from the public. Members will note there have been some modifications in relation to the bill that was introduced last year. I would hope that all members, despite any differences that we might have in respect to some details of the bill, would support the bill in principle. In any event, I am happy to listen to any comments that the members might have at this time.

Mr. Elston: Mr. Speaker, I have just a few brief comments. I wish to rise at this time to indicate we will not be supporting the bill in principle, because of some of the situations that have been pointed out previously to the Solicitor General. Included in those are our concerns that there has not been sufficient input from various segments of the community to the Solicitor General during the drafting period, and that there are certain items in this bill which we in this party believe will make the legislation unworkable in the way it has been laid out.

We feel as well that to give support in principle to this bill at this time would legitimize in some way the plans that have been set forth by the Solicitor General in relation to a pilot on the pilot, if one could call it that, which has been planned by Metropolitan Toronto. We feel this type of experiment is probably going to be dangerous for the bill as a whole, because the pilot on the pilot will lack the authority that legislation can give it, and this will endanger the very possibility that the legislation—the three-year project, that is—will be at all successful in Metropolitan Toronto.

We also think that some portions of this bill are flawed. We think that setting up a pilot on the pilot, which will be patterned after the proposed legislation as it now stands, before the committee hears representations from various elements in the community, is a dangerous precedent to set. We believe that to institute this experiment during the summer, if there is no compulsion behind the orders that are being made by those people who are appointed to staff the commission for the summer season, will cause the citizens of Metropolitan Toronto to lose faith in the experiment that will take place after the legislation becomes law.

It seems to us that when this bill was first brought to our attention in mid-May it could quickly have been introduced to the House, so that we might very well have been able to sit in committee before this session ended and could have ruled out some of the difficulties and made amendments that would have made the legislation much better than it now is. We feel this could have been done much more quickly than it has been done, and that to delay this now until October for those special representations by interest groups in the community of Metropolitan Toronto is a danger to the success of any program that is ultimately instituted.

We also feel that because citizens are being asked to make representations to us, they really ought to have the upper hand in making comments that they feel will make legislation they could live with and feel comfortable with when they are expressing their complaints concerning police forces.

It seems to me as well that, if I were a private citizen and if this legislation as it now stands were used as a pattern or model for some project over the summer, in order to make sure that my concerns about the police force were adequately expressed I would not only have to go to the pilot on the pilot project but I would have to go to the complaint process that is now currently set up, and I would also have to take my complaints through the civil courts to make sure that somewhere along the line my concerns were met and adequately dealt with.

It is my concern that this multiplication of processes by which one must make one's complaints heard will cause a great many citizens ultimately to throw up their hands in despair and probably feel that they will not be able to get the fair hearing they think they should have.

It is our opinion that because of this deficiency in the legislation and the planned pilot

project for the summer we cannot support the bill in principle, and we on this side will rise against it.

2 p.m.

Mr. Renwick: Mr. Speaker, I would like to speak briefly about Bill 68. This is part of the process of attrition the Solicitor General is putting us through. Many of us can recall Bill 201, which was introduced in December 1979, and then Bill 47, which was introduced and debated about a year ago in the assembly. This bill is the transition to a pilot project.

Those people who are interested in and concerned about this bill will not be able to maintain public interest in the bill simply because of the process the Solicitor General uses. The process will go on to such a point that people will no longer be interested. They will begin to think, "Yes, there is an appropriate appeal process for police complaints." This matter will pass into history with an inadequate method of dealing with police complaints.

I spoke at some length a year ago on the bill, on May 27, 1980, as did many other members. I do not intend to repeat those remarks. At that time, we were under the impression that bill would go out to committee. I did not take the occasion of speaking on second reading to put on the record the principles our caucus and our party have endorsed as the basis on which the complaint procedure should be established. In the short time available on second reading, I want to put on the record the principal provisions we believe should govern such a procedure.

The Solicitor General and I will never agree on the fundamental process which has gone on with respect to the police in Ontario, that is, the transition from the British model to the American model. The transition of the police force in the province, semantically and in substance, is reflected in the change from the term "chief constable" to "chief of police." We have had that discussion many times and it will continue to be a part of our concern about the whole of the question of the principle included in the bill.

We cannot support the bill. We looked with as much empathy as we could on the remarks of the Solicitor General when he introduced the bill on May 15. He pointed out the extended authority given in very exceptional circumstances to the commissioner of complaints.

The principles we felt should govern a citizens' review of complaints concerning police conduct in Metropolitan Toronto are as follows:

1. Definition of complaint: A complaint

against a police officer is an allegation of misconduct when exercising authority as a police officer.

2. Standard of conduct: A police officer shall exercise his authority as a police officer in a manner that respects the rights, liberties, inherent dignity and reputation of every citizen consistent with a diligent performance of his duty.

3. Right of police officer: It is the right of every police officer that his reputation and career be unaffected by frivolous, vexatious or unjustified complaints and that he not be placed in double jeopardy.

4. The tribunal: (i) Appointment: The metropolitan council shall appoint a permanent tribunal of not less than three persons of unquestioned integrity and acknowledged impartiality from among the citizens of Metropolitan Toronto; (ii) Duties: To receive, investigate, hear and determine complaints and, when advisable, make recommendations to the chief of police, the board of police commissioners and the metropolitan council.

5. Rules of natural justice to apply, in particular: (i) Hearings shall be public; (ii) Investigations must be independent in the sense the tribunal as finder of fact shall conduct its own investigations on which its findings are made; (iii) Hearings must be impartial in the sense the tribunal must not have and must be seen not to have any preconceived notion of the merits or demerits of the complaints or of the complainants or the police officers; (iv) Complainants, police officers and witnesses must be protected against and must be seen to be protected against bias and prejudice in the conduct of investigations and hearings; (v) Findings of fact, decisions and recommendations of the tribunal must be published when made, with reasons given; (vi) Police officers, the chief of police and the board of police commissioners must be given prompt notice of complaints and of intention to investigate and to hold hearings; (vii) Complainants, police officers, the chief of police and the board of police commissioners must be given, on request, reasonable opportunity by the tribunal to be heard as to the necessity and propriety of investigations and hearings; (viii) No one shall be compelled to submit to questioning or to give evidence without the opportunity to obtain independent legal advice and to be represented by counsel, and witnesses must be entitled to protection against self-incrimination.

6. Standard of proof: The tribunal must make

its findings on the preponderance of probability and may, in so doing, take into account similar conduct on other occasions.

7. Registrar: (i) Appointment: The metropolitan council shall appoint a registrar for the tribunal who shall be its administrative officer and who shall have the status of a commissioner; (ii) Duties: The registrar, subject to the direction of the tribunal, (a) shall receive and maintain records of complaints until final disposition; (b) shall, where appropriate, use his good offices to settle complaints.

8. Withdrawal or dismissal of complaints: Only the tribunal may dismiss complaints or permit complaints to be withdrawn, and any applications to dismiss or withdraw complaints by complainants, police officers, the chief of police, the board of police commissioners or the registrar must be by hearing before the tribunal.

9. Police duty to co-operate: The board of police commissioners, the chief of police and the police officers must have a duty to co-operate with the tribunal.

10. Complaints received by police: The board of police commissioners must establish known procedures within the Metropolitan Toronto police to ensure that complaints received by police are reported to the registrar and that complainants are referred to the registrar.

11. Where criminal charges are laid: Where a police officer is charged with an offence under the Criminal Code arising from an incident in respect of which a complaint has been made, all proceedings are stayed until a charge or any appeal from a conviction or acquittal of the offence charged has been finally disposed of and may only proceed thereafter if the tribunal is satisfied that there is no double jeopardy.

12. Annual report: The tribunal must submit an annual report to the Metropolitan council.

I was anxious that those principal rules and provisions, which we in this caucus believe should form the model for a civilian review of police complaints, should be on the record. Time will show that this bill will be processed through the standing committee on administration of justice; that little if any change will be made, because the Solicitor General is satisfied with this bill and because he believes it should not be altered in any way; and that it will become law in the province. Public hearings will be held, people will have an opportunity to make their presentations, but there will not be any changes. When the bill is reported back into the House and passed into law and into a

project, it will be many years before there will be an opportunity again to review that procedure.

It is fundamentally flawed in its concept, and we oppose the bill on second reading for the reasons that have been stated over the years and particularly in the debate a year ago, in May 1980. We adhere to the principles that I have set forth on the record so they will have a permanent place in the historic record of the error now being made by the Solicitor General in proceeding with the bill in this form.

Ms. Copps: Mr. Speaker, I want to voice my support of the opposition as articulated by our critic, the member for Huron-Bruce.

One of the principal reasons for my opposition is the belief that in this province justice not only must be done but also must be seen to be done, and it is clear from the delay and the kind of self-administration that are built into this bill that justice is not being seen to be done. I think the communities of Metropolitan Toronto, the communities that are directly and indirectly affected by the bill, have already spoken and no doubt will be speaking in opposition to the intent and the content of the legislation.

This party has no choice but to reject the bill, because we believe it violates the inherent principles of justice upon which our society is based. I am rising at this point merely to second the opposition as voiced by the member for Huron-Bruce, and I am sure there will be much more time to pursue our opposition to the bill in greater detail when it goes into committee.

Hon. Mr. McMurtry: Mr. Speaker, I have to say that one in my position might be a little sceptical about the alleged interest that the opposition purports to have with respect to creating workable legislation in this area, particularly as it was only a little over a year ago that the opposition parties, with the majority of the members in this Legislature, refused to permit this bill to go to committee, where, with the opposition majority, changes could have been made and the matter could have been passed into law.

2:10 p.m.

On that occasion the opposition chose the rather astonishing course of refusing even to allow the bill to go to committee where members of the public could have been heard and where, by reason of the arithmetic prevailing at that time, it could have had a significant impact. But it denied the public the opportunity on that occasion to be heard, and—some of the mem-

bers were not there—I am sure that the member for Hamilton Centre and the member for Huron-Bruce would not have approved of the rather irresponsible conduct of their colleagues on that occasion, had they been here.

Once again, we are witness to the astounding confusion that seems to prevail in the Liberal caucus. On the one hand, their sometime leader indicates the—

Hon. Mr. Ashe: Which one?

Hon. Mr. McMurtry: The official one, for the moment. The momentary leader indicated his displeasure with the government for not bringing this bill forward sooner in order that it could have gone to committee sooner. The member for Huron-Bruce touched on this. He asked why we did not have the bill passed, and then go to committee in July in order to expedite the passage. Yet members of his caucus are now stating they want to vote against the bill.

Their leader would have liked to have seen the bill go to committee sooner than September, but obviously his leadership has not prevailed, and in his absence, his caucus colleagues would, if they had their way, prevent the bill from going to committee at all. I think it is just yet another distressing example of the rather pathetic confusion that seems to have captured the Liberal caucus.

I respect the principles that have been placed on the record by the member for Riverdale, and certainly I was disappointed that he would not agree to allow the bill to go to committee a year ago. I think the bill does address many of the principles enunciated by the honourable member. It would appear, and a great deal will be heard undoubtedly about the role of the police investigating themselves in the first instance, that it is the desire of the opposition to take this responsibility away from the police which, in my view, would be very destructive of the fundamental structure of police departments.

I rather regret that the opposition has demonstrated such a total lack of understanding of how police departments function, but I hope that during the committee process at the end of the summer we will have an opportunity for a very useful discussion. Contrary to what my friend the member for Riverdale states, we on this side of the House are always reasonable and will always consider seriously any reasoned or useful amendment.

That will be our position and we look forward to a discussion during the fairly lengthy time

that has been set out in committee. I would not like to lose the opportunity before I sit down, despite their lack of understanding, to wish the members opposite, indeed all of the members, a very pleasant summer.

Mr. Speaker: Those in favour of the motion will please say “aye.”

Those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Ordered for standing committee on administration of justice.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I would like to inform the House that I have tabled the answers to questions 71 and 82 standing on the Notice Paper. [See appendix, page 2422.]

ADJOURNMENT DURING PLEASURE

Hon. Mr. Wells: Mr. Speaker, I would like to suggest that the House adjourn at pleasure for about 15 minutes so that his Honour the Lieutenant Governor may then appear and give royal assent to certain bills. This normally would not be necessary but His Honour is with Her Majesty the Queen Mother at a dinner and will be back here at 2:30. That is with the agreement of the House.

It is my understanding that it cannot be done in chambers unless it can be reported back to this House at the appropriate time. Rather than run any risks in that regard, I think it would be better that these bills be given royal assent in the traditional manner.

Mr. Speaker: The House will now adjourn during pleasure.

2:35 p.m.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took his seat on the throne.

ROYAL ASSENT

Hon. Mr. Aird: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

First Clerk Assistant: The following are the

titles of the bills to which Your Honour's assent is prayed:

Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing.

Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Bill 90, An Act to establish the Ontario Waste Management Corporation.

Bill 95, An Act to amend the Employment Standards Act, 1974.

Bill 105, An Act to amend the Judicature Act.

Bill 106, An Act to amend the County Courts Act.

Bill 113, An Act to amend the Public Hospitals Act.

Bill 121, An Act to provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities.

Bill 124, An Act respecting the Leeds and

Grenville County Board of Education and Teachers Dispute.

Bill 126, An Act to amend the Executive Council Act.

Bill 127, An Act to amend the Legislative Assembly Act.

Bill 129, An Act to amend the Workmen's Compensation Act.

Clerk of the House: In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

Hon. Mr. Wells: Mr. Speaker, at this point in the proceedings I would like to wish you and all the members of this House a very happy, healthy and pleasant summer. I cannot see any further work that we can do on this Friday afternoon. Therefore, I would move that this House adjourn until October 13.

The House adjourned at 2:40 p.m.

ERRATA

No.	Page	Column	Line	Should read
58	2035	1	48	moved first reading of Bill 129, An Act to amend
58	2053		27	Workmen's Compensation Amendment Act, Bill 129, Mr. Elgie. 2035

APPENDIX A

ANSWERS TO QUESTIONS
ON NOTICE PAPER

GOVERNMENT ADVERTISING

6. Mr. Foulds: Would each ministry indicate how much money was spent between September 1, 1980, and March 31, 1981, for advertising in each of the following categories: radio, television, newspaper? Would each ministry give a breakdown of themes, subjects and topics of each advertising campaign? What agencies produced the advertising material in each ministry? Would each ministry give a weekly breakdown for the expenditures involved in the period outlined? Would the ministry indicate a comparison with the advertising actually spent for the same period one year previously? Would each ministry also outline the expenditure for advertising through its minister for each of the time periods above? (April 29, 1981.)

See sessional paper 159.

7. Mr. Foulds: Would each ministry indicate the total advertising budget, including public relations and polling, spent in the fiscal year April 1, 1980, to March 31, 1981? (April 29, 1981.)

See sessional paper 160.

8. Mr. Breithaupt: 1. What was the total advertising budget for the Provincial Secretariat for Justice and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Walker: Nil.

9. Mr. Wrye: 1. What was the total advertising budget for the Ministry of Colleges and Universities and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Mr. Sweeney: 1. What was the total advertising budget for the Ministry of Education and its

agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Miss Stephenson: 1. \$234,220.81; 2. \$310,000; 3. The ministries employ only the agency of record (Foster Advertising Limited); 4. The agency of record was selected competitively in accordance with established procedures; 5. Copies of all promotional materials are available for perusal in the library reading room, 13th floor, Mowat Block.

Note: Advertising funds for the Ministry of Education and the Ministry of Colleges and Universities are contained in a single, combined budget.

10. Mr. Van Horne: 1. What was the total advertising budget for the Ministry of Health and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Timbrell: 1. Total advertising budget for the Ministry for fiscal year ending March 31, 1981, was \$2,169,600. 2. Comparable advertising budget for fiscal year ending March 31, 1980, is \$1,263,900. 3. Advertising agency employed: R. T. Kelley Inc. 4. A competition was held and the final selection approved by Management Board. 5. Copies of advertising and promotion materials are available for perusal in the health resource centre, 9th floor, Hepburn Block.

12. Mr. Spensieri: 1. What was the total advertising budget for the Ministry of Correctional Services and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and tele-

vision scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Leluk: Nil.

Note: The ministry maintains a reading room where program literature may be perused. It is located at 2001 Eglinton Avenue East, beside the library.

13. Mr. Sargent: 1. What was the total advertising budget for the Management Board of Cabinet and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. McCague: 1. Advertising expenditures for 1980-81, \$872,748*; 2. Advertising expenditures for 1979-80, \$671,428*; 3. Foster Advertising Limited; 4. A competition was held and agency selection was made according to established procedures; 5. Not applicable.

* These figures represent the personnel advertising information for the government as a whole and this information may be duplicated by input from other ministries.

14. Mr. Roy: 1. What was the total advertising budget for the Ministry of Intergovernmental Affairs and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Wells: 1 and 2. 1980-81, \$261,190 (actual); 1979-80, \$444,407* (actual).

3. Advertising agencies used: Foster Advertising Limited — Ontario youth employment program, and general assignments; Camp Associates Advertising Limited — one Unity ad; Les Communi-cateurs Associés Inc. — French services awareness program.

4. Foster Advertising Limited — OYEP advertising was done as per a contract awarded when the program was established, and small general assignments on an "as required" basis. Camp Associates Advertising Limited — was requested to provide a one-time service. Les Communi-

cateurs Associés Inc. — tender waived by permission of Management Board, due to the special nature of the program.

5. Copies of current promotional and related materials are available for perusal in our reading room, 6th floor, Mowat Block.

* includes costs for both the 1979 and 1980 Ontario youth employment programs.

15. Mr. Riddell: 1. What was the total advertising budget for the Ministry of Agriculture and Food and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Henderson: 1. \$1,687,600. 2. \$1,607,200. 3. Case Associates Advertising Limited; McLaughlan, Mohr, Massey Limited. 4. Competitions held; Management Board approved selections. 5. Copies of all advertising and promotional materials are available for perusal in the library reading room of the ministry, 3rd Floor, 802 Bay Street, Toronto.

16. Mr. T. P. Reid: 1. What was the total advertising budget for the Ministry of Northern Affairs and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Bernier: 1. \$129,283. 2. \$208,843. 3. Mallon Advertising, Thunder Bay; Camp Associates Advertising Limited, Toronto. 4. Competitions were held and final selections approved by Management Board. 5. Copies of all advertising and promotional materials are available for perusal in the ministry's library, information services branch, 9th floor, 10 Wellesley Street East.

17. Mr. J. A. Reed: 1. What was the total advertising budget for the Ministry of Energy and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders

let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Welch: 1. \$5,897,553. Ministry of Energy, \$2,838, 583; Ontario Energy Board, nil; Ontario Energy Corporation, \$143,706; Ontario Hydro, \$2,915, 264.

2. \$3,421,176. Ministry of Energy, \$198,000; Ontario Energy Board, nil; Ontario Energy Corporation, nil; Ontario Hydro, \$3,223,176.

3. (a) Ministry of Energy: Foster Advertising Limited, Energy Conservation; McLauchlan, Mohr, Massey Limited, "Heat Save." (b) Ontario Energy Corporation: Camp Associates Advertising Limited. (c) Ontario Hydro: Foster Advertising Limited; Doremus Advertising, New York.

4. Ministry of Energy: Competitions were held and final selections approved by Management Board. Ontario Energy Corporation: Selection based on agency strengths in creativity and full-service performance capabilities. Ontario Hydro: Agencies all charge according to set, established fee structure, thus no price advantage to be gained in tendering. Contract awards based on performance capability, in-depth knowledge of Hydro affairs, full-service agency proficiency.

5. Copies of all Ministry of Energy promotional material are available for perusal in a reading room connected to the library, 12th floor, 56 Wellesley Street West.

18. Mr. Peterson: 1. What was the total advertising budget for the Ministry of Treasury and Economics and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. F. S. Miller: 1. The ministry provided \$1,351 for signboard advertising for the DREE program. 2. N/A. 3. Ray Cattell Limited. 4. The agency was engaged by the government of Canada for an information program under the terms of the province's eastern Ontario subsidiary agreement with the federal Department of Regional Economic Expansion (DREE). 5. Ministry's reference materials are available for perusal in the reading room, communications group office, 5th floor, Frost Building South.

19. Mr. McEwen: 1. What was the total advertising budget for the Ministry of Housing and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Bennett: 1. Total advertising budget for the fiscal year, April 1, 1980, to March 31, 1981 = \$498,200 (includes \$240,000 for promotion of the new town of Townsend, which is fully recoverable). 2. \$283,500. 3. Agency: Foster Advertising Limited. 4. A competition was held and the final selection approved by Management Board. 5. Copies of the material used in the promotions are available in the ministry's reading room adjacent to the library, 2nd floor, 56 Wellesley Street West.

20. Mr. Mancini: 1. What was the total advertising budget for the Ministry of Transportation and Communications and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Snow: 1. Total advertising budget for fiscal year 1980-81: Ministry of Transportation and Communications, \$431,000; Toronto Area Transit Operating Authority, \$245,000.

2. Total advertising budget for fiscal year 1979-80: Ministry of Transportation and Communications, \$491,400; Toronto Area Transit Operating Authority, \$95,000.

3. The advertising agency employed is Case Associates Advertising Limited.

4. Yes. A competition was held and the final selection approved by Management Board.

5. A copy of material used in all promotions such as brochures, radio and television scripts, direct mailings and any other promotional material represents a very high volume. Such material is available for perusal upon request through the public and safety information branch of the ministry, or may be viewed at the ministry reading room, Room 149, Central Building, 1201 Wilson Avenue, Downsview.

21. Mr. Kerrio: 1. What was the total advertising budget for the Ministry of the Environment and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Norton: 1. and 2.

Total advertising budget:	1980-81	1979-80
Ministry, all branches and functions	\$1,449,717.79	\$519,075.52
Environmental Appeal Board	6,052.39	1,990.22
Environmental Assessment Board	24,604.68	25,953.56
Waste Management Advisory Board	8,407.50	1,161.92
Royal Commission/Northern Environment	1,491.62	3,785.11
	<u>\$1,490,273.98</u>	<u>\$551,996.33</u>

3. Case Associates Advertising Limited.

4. Ministry account was submitted to competitive presentations from four agencies in 1978, in accordance with Management Board procedures, and a three-year appointment was awarded to Case Associates Advertising Limited.

5. Copies of all advertising and promotional materials are available for perusal in the ministry's reading room, 135 St. Clair Avenue West (1st floor library entrance).

22. Mr. Haggerty: 1. What was the total advertising budget for the Ministry of Revenue and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Ashe: 1. Actual money expended on advertising programs during fiscal 1980-81 was \$603,994.08.

2. The total amount of money expended on advertising programs for fiscal 1979-80 was \$123,020. (Ontario tax grants for seniors program did not exist at this time.)

3. The major portion of Revenue's creative advertising services are provided by Case Associates Advertising Limited of Toronto.

4. A three-year contract for Case Associates Advertising Limited was let on the basis of a comprehensive selection process as per Ontario Manual of Administration instructions. Ten agencies were long-listed and requested to respond to a questionnaire. Four agencies were subsequently short-listed and required to undergo a capability presentation to the Ministry Selection Committee. Criteria included general capability, research facility, availability of senior staff and sensitivity to public versus private sector accounts. The recommendation to retain Case Associates Advertising Limited on a three-year contract was subsequently approved by Management Board and the Ontario cabinet.

5. Copies of all advertising and promotion materials are available for perusal in the ministry's public information centre, 3rd floor, 77 Bloor Street West.

23. Mr. Elston: 1. What was the total advertising budget for the Ministry of the Solicitor General and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. McMurtry: Nil.

24. Mr. Edighoffer: 1. What was the total advertising budget for the Ministry of Culture and Recreation and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Baetz: 1. \$7,028,296. 2. \$5,470,974. 3. R. T. Kelley Inc.; McLauchlan, Mohr, Massey Limited; PIR Advertising Limited; Mallon Advertising; F. H. Hayhurst Co. Limited; Cock-

field Brown Inc.; Case Associates Advertising Limited; Foster Advertising Limited; Vickers and Benson Limited, and Straiton, Pearson and Martin Limited. 4. Competitions were held and the final selections approved by Management Board. 5. Copies of all advertising and promotional materials are available for perusal in the ministry's resource centre, 9th floor, 77 Bloor Street West.

25. Mr. Eakins: 1. What was the total advertising budget for the Ministry of Natural Resources and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Pope: 1. Ministry of Natural Resources, \$67,516.98; St. Lawrence Parks Commission, \$156,845.49; St. Clair Parks Commission, \$790; Mining and Lands Commissioner, nil; Algonquin Forestry Authority, nil; Total, \$225,152.47.

Niagara Parks Commission reports on a fiscal basis of November 1, 1979, to October 31, 1980, with a budget of \$16,995.51.

2. Advertising budget: Ministry of Natural Resources, \$95,680.94; St. Lawrence Parks Commission, \$132,591.61; St. Clair Parks Commission, \$950; Mining and Lands Commissioner, nil; Algonquin Forestry Authority, nil; Total, \$229,222.55.

Niagara Parks Commission reports on a fiscal basis of November 1 to October 31: \$16,995.51.

3. The Ad Factory, Camp Associates Advertising Limited and Foster Advertising Limited.

4. Competitions were held and final selections approved by Management Board.

5. Copies of advertising and promotional materials are available for perusal in the ministry's resources library reading room, 4th floor, Whitney Block.

26. Mr. Cunningham: 1. What was the total advertising budget for the Ministry of Industry and Tourism and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and televi-

sion scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Grossman: 1. \$4,064,107. 2. \$2,065,056. 3. Camp Associates Advertising Limited, Foster Advertising Limited. 4. Competitions were held and the final selections approved by Management Board. 5. Proofs of print advertisements, copies of scripts of radio and television commercials are available from the information centre, 9th floor, Hearst Block.

27. Ms. Copps: 1. What was the total advertising budget for the Ministry of Labour and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Elgie: 1. \$1,050,740. 2. \$1,471,519. 3. Foster Advertising Limited. 4. A competition was held and the final selection approved by Management Board. 5. Material available from the ministry's information services branch.

28. Mr. Breithaupt: 1. What was the total advertising budget for the Ministry of the Attorney General and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. McMurtry: 1. The total spent on advertising campaigns by the Ministry of the Attorney General in the fiscal year ending March 31, 1981, was approximately \$680,179.46. This includes advertising for major public information programs on the Provincial Offences Act, on the Occupiers' Liability Act and the Trespass to Property Act, and on drinking-driving.

2. The total spent on advertising campaigns by the ministry in the fiscal year ending March 31, 1980, was approximately \$48,250. This consists of the annual campaign on drinking-driving.

3. The ministry engaged Camp Associates Advertising Limited and Willhurst Communications Limited.

4. Competitions were held and final selections approved by Management Board.

5. Copies of all advertising and promotional materials are available for perusal in the ministry's reading room, 3rd floor, 18 King Street East.

29. Mr. Bradley: 1. What was the total advertising budget for the Ministry of Consumer and Commercial Relations and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Walker: 1. \$140,700. 2. Nil. 3. F. H. Hayhurst Company Limited. 4. A competition was held and the final selection approved by Management Board. 5. The materials used in the promotions are substantial and rather bulky, however, all are available in the consumer information centre on the main floor at 555 Yonge Street.

30. Mr. Boudria: 1. What was the total advertising budget for the Ministry of Government Services and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Wiseman: 1. The total amount allocated for advertising by the ministry including the Public Service Superannuation Board was \$525,000 for the fiscal year ending March 31, 1981.

2. The allocation for the fiscal year ending March 31, 1980, was \$510,000.

3. The agency of record is the only advertising agency used by this ministry.

4. The agency of record is selected by the Ministry of Industry and Tourism conforming with Management Board guidelines.

5. Copies of all advertising and promotional materials are available for perusal in the library and reading room in the management planning branch area, 12th floor, Ferguson Block. (Inquiries to information section, 956-6683.)

31. Mr. Conway: 1. What was the total adver-

tising budget for the Ministry of Community and Social Services and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Drea: 1. \$1,186,720. 2. \$1,150,000. 3. W. P. Wittman Limited (Positive Parenting) and R. T. Kelley Inc. (Foster Care). 4. Competitions were held and the final selections approved by Management Board. 5. Copies of all promotional materials are available for perusal in the ministry's inquiry unit, Room M151, Macdonald Block.

32. Mr. Ruprecht: Of the total advertising budget for the 1980-81 fiscal year for the Provincial Secretariat for Social Development, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mrs. Birch: \$66,620.

33. Mr. McGuigan: Of the total advertising budget for the 1980-81 fiscal year for the Provincial Secretariat for Resources Development, what were the total media costs, incurred during the period from February 1, 1981, to March 19th, 1981? (April 30, 1981.)

Hon. Mr. Ramsay: Nil.

34. Mr. Breithaupt: Of the total advertising budget for the 1980-81 fiscal year for the Provincial Secretariat for Justice, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Walker: Nil.

35. Mr. Wrye: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Colleges and Universities, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

37. Mr. Sweeney: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Education, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Miss Stephenson: \$30,051.90 (news-papers only). (Advertising funds for the Ministry of Education and the Ministry of Colleges and

Universities are contained in a single, combined budget.)

36. Mr. Van Horne: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Health, what were the total media costs incurred during the period from February 1, 1981 to March 19, 1981. (April 30, 1981.)

Hon. Mr. Timbrell: Total media costs incurred for period February 1, 1981, to March 31, 1981 (Billing is done on a monthly basis): \$386,800.

38. Mr. Spensieri: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Correctional Services, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Leluk: Nil.

39. Mr. Sargent: Of the total advertising budget for the 1980-81 fiscal year for the Management Board of Cabinet, what were the total media costs incurred during the period from February, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. McCague: Media costs: Personnel advertising on behalf of Management Board secretariat and the Civil Service Commission: February 1981 billing, \$2,867.45; March 1981 billing, \$1,099.05. Approximate costs, February 1, 1981, to March 19, 1981: \$3,650.

Note: An additional amount of approximately \$235,000 was paid for personnel advertising on behalf of other ministries, with costs recovered from those ministries.

40. Mr. Roy: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Intergovernmental Affairs, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Wells: \$35,401.

41. Mr. Riddell: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Agriculture and Food, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Henderson: This ministry's total media costs—February 1, 1981, to March 19, 1981—were \$311,747.

42. Mr. T. P. Reid: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Northern Affairs, what were the total media costs incurred during the period from

February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Bernier: \$16,900.

43. Mr. J. A. Reed: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Energy, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Welch: \$222,400.

44. Mr. Peterson: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Treasury and Economics, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. F. S. Miller: Nil.

45. Mr. McEwen: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Housing, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Bennett: Total media costs incurred during the period from February 1, 1981 to March 19, 1981: Newspapers, \$33,577; radio (Townsend), \$5,583; total, \$39,160.

46. Mr. Mancini: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Transportation and Communications, what were the total media costs incurred during the period from February 1, 1981 to March 19, 1981? (April 30, 1981.)

Hon. Mr. Snow: The total media costs for the Ministry of Transportation and Communications for the period February 1, 1981, to March 31, 1981, were as follows: Licence sticker renewals, \$48,000; interprovincial reciprocity (re CAVR), \$5,000; total, \$53,000.

47. Mr. Kerrio: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of the Environment, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Norton: \$83,371.40.

48. Mr. Haggerty: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Revenue, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Ashe: The total advertising expenditure for fiscal 1980-81 was \$77,489.95. Of this amount, \$34,584.10 was expended on media buying

during the period February 1, 1981, to March 19, 1981. Advertising was as follows: OTC reminder ad for seniors (dailies), \$24,041.20; SBDC pamphlet ad for business publications, \$10,542.90; total, \$34,584.10.

49. Mr. Elston: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of the Solicitor General, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. McMurtry: Nil.

50. Mr. Edighoffer: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Culture and Recreation, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Baetz: \$13,306.

51. Mr. Eakins: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Natural Resources, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Pope: \$20,965.95.

52. Mr. Cunningham: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Industry and Tourism, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Grossman: Total media costs incurred for domestic tourism promotion and industrial development programs during the period February 1, 1981, to March 19, 1981, were \$89,228.

53. Ms. Copps: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Labour, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Elgie: \$133,754.

54. Mr. Breithaupt: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of the Attorney General, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. McMurtry: The Ministry of the Attorney General had no "media costs" during the period from February 1, 1981, to March 19, 1981.

55. Mr. Bradley: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Consumer and Commercial Relations, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Walker: February 1981, \$50,755; March 1981, \$46,388; total, \$97,143.

56. Mr. Boudria: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Government Services, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Wiseman: The ministry expended \$68,421 on advertising during the period from February 1, 1981, to March 19, 1981, inclusive. The total expenditures for the fiscal year 1980-81 were \$549,788.00.

57. Mr. Conway: Of the total advertising budget for the 1980-81 fiscal year for the Ministry of Community and Social Services, what were the total media costs incurred during the period from February 1, 1981, to March 19, 1981? (April 30, 1981.)

Hon. Mr. Drea: \$10,080.

58. Mr. Ruprecht: 1. What was the total advertising budget for the Provincial Secretariat for Social Development and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mrs. Birch: 1 and 2.

	1980-81 (expenditure)	1979-80 (expenditure)
Family program	\$ 773	\$ 6,559
Youth Secretariat	\$69,550	\$86,411
Total:	\$70,283	\$92,970

3. Foster Advertising Limited.

4. Agency selection is made by competition and approved by Management Board.

5. Copies of all materials relating to our programs can be perused by contacting the communications adviser, 1st floor, Whitney Block.

59. Mr. McGuigan: What was the total advertising budget for the Provincial Secretariat

for Resources Development and its agencies, boards and commissions for the fiscal year ending March 31, 1981? 2. What was the comparable advertising budget for the fiscal year ending March 31, 1980? 3. What advertising agencies were employed? 4. Were tenders let for the account? 5. Would you provide a copy of the material used in all the promotions such as brochures, radio and television scripts, direct mailings and any other promotional material? (April 30, 1981.)

Hon. Mr. Ramsay: Nil.

OPTED-OUT PHYSICIANS

60. Mr. McClellan: Will the Minister of Health provide the most recently available total number of doctors opted out of OHIP? What is the number and percentage of this number represented by: (i) general practitioners; and (ii) other specialists? What is the number and percentage of total physicians in Ontario represented by the numbers

of opted out: (i) general practitioners; and (ii) other specialists? (May 1, 1981.)

Hon. Mr. Timbrell: The most up-to-date information on total physicians, number and percentage of opt-outs as of April 30, 1981 is:

Total physicians	Opt-out	Per cent
GPs 6,715	498	7.4
Specialists 6,304	1,516	24.0
Total 13,019	2,014	15.5

This provincial aggregation includes future option notifications by physicians.

61. Mr. McClellan: Will the Ministry of Health compile, by region and by medical specialty, a list of the latest available numbers and percentages of doctors opted out of OHIP? (May 1, 1981.)

Hon. Mr. Timbrell: The tabulation A attached, provides the provincial aggregate broken down on a county basis. Tabulation B attached, provides the number and percentage of opt-out specialists in the province. This data is as of April 30, 1981.

A: Number and percentage of opted-out physicians by county — April 30, 1981

County	Number of physicians			Percent opted-out		
	GP	SP	Total	GP	SP	Total
Algoma	1	—	1	1.3	—	0.8
Brant	3	1	4	4.5	1.8	3.3
Bruce	—	—	—	—	—	—
Cochrane	2	1	3	3.2	4.8	3.6
Dufferin	1	—	1	4.3	—	3.7
Durham	—	—	—	—	—	—
Elgin	—	1	1	—	4.0	1.6
Essex	8	12	20	4.4	7.5	5.8
Frontenac	4	3	7	4.0	1.8	2.6
Grey	3	10	13	5.5	27.0	14.1
Haldimand/Norfolk	—	3	3	—	42.9	5.5
Haliburton	—	—	—	—	—	—
Halton	28	39	67	15.6	29.8	21.6
Hamilton/Wentworth	14	25	39	4.5	6.5	5.6
Hastings	1	—	1	1.3	—	0.8
Huron	1	1	2	2.9	16.7	4.9
Kenora	—	—	—	—	—	—
Kent	—	—	—	—	—	—
Lambton	10	16	26	14.3	26.7	20.0
Lanark	—	—	—	—	—	—
Leeds/Grenville	4	1	5	7.5	3.2	6.0
Lennox/Addington	—	—	—	—	—	—
Manitoulin	—	—	—	—	—	—
Metro Toronto	179	834	1013	9.0	35.2	23.2
Middlesex	19	105	124	6.4	27.3	18.2
Muskoka	—	—	—	—	—	—
Niagara	15	48	63	6.3	27.7	15.3
Nipissing	5	9	14	9.3	30.0	16.7

County	Number of physicians			Percent opted-out		
	GP	SP	Total	GP	SP	Total
Northumberland	—	1	1	—	14.3	2.0
Ottawa/Carleton	42	132	174	11.1	20.2	16.9
Oxford	6	—	6	10.5	—	7.7
Parry Sound	—	—	—	—	—	—
Peel	18	51	69	6.7	38.1	17.1
Perth	4	6	10	8.7	28.6	14.9
Peterborough	5	39	44	6.6	41.9	26.0
Prescott/Russell	—	—	—	—	—	—
Prince Edward	—	—	—	—	—	—
Rainy River	—	—	—	—	—	—
Renfrew	—	1	1	—	4.2	1.3
Simcoe	29	24	53	18.7	33.8	23.5
Stormont/Dundas/Glengarry	—	2	2	—	4.8	1.9
Sudbury	4	14	18	4.1	16.5	9.9
Thunder Bay	1	7	8	1.3	8.7	5.1
Timiskaming	—	—	—	—	—	—
Victoria	—	1	1	—	8.3	2.2
Waterloo	33	47	80	16.8	32.2	23.3
Wellington	16	31	47	21.3	39.7	30.7
York R.M.	33	45	78	22.0	52.9	33.2
(1)						
Province	498	1,516	2,014	7.4	24.0	15.5

(1) The county data is adjusted to eliminate inconsistencies arising from such features as physician relocations. These features are taken into account at the provincial level and consequently simple addition of county numbers in any one month may not necessarily coincide with the provincial totals.

Number and percentages of opt-out specialists — April 1981

Specialty	Opt-out Percentages	
	Number	Percent
General practice	498	7.4
Anaesthesia	329	60.3
Dermatology	10	7.2
General surgery	137	19.7
Neurosurgery	8	14.5
Orthopaedic surgery	105	38.6
Plastic surgery	42	46.2
Thorac and cardiov surgery	4	10.3
Internal medicine	71	6.4
Neurology	7	6.4
Psychiatry	288	33.5
Obstetrics & gynae	219	39.8
Ophthalmology	130	44.3
Otolaryngology	53	26.1
Paediatrics	26	5.4
Pathology	4	4.0
Microbiology	0	0
Physical medicine	2	3.9

Diagnostic radiology	9	2.2
Urology	67	41.6
Gastroenterology	3	25.0
Cardiology	1	2.6
Clinical biochemistry	0	0
Clinical immunology	1	33.3
	<u>2,014</u>	<u>15.5</u>

119. Mr. McClellan: What is the number of opted-out specialists as a percentage of; 1. all specialists billing OHIP at any time during the year; 2. specialists billing OHIP for greater than \$20,000 a year; 3. specialists billing OHIP for greater than \$30,000 a year; 4. all specialists filing tax returns as physicians in Ontario earning greater than \$20,000 a year? Will he also provide the number of specialists in each of the above categories? (June 5, 1981.)

122. Mr. McClellan: What is the number of opted-out general practitioners as a percentage of; 1. all general practitioners billing OHIP at any time during the year; 2. general practitioners billing OHIP for greater than \$20,000 a year; 3. general practitioners billing OHIP for greater

than \$30,000 a year; 4. all general practitioners filing tax returns as physicians in Ontario; 5. all general practitioners filing tax returns as physicians earning greater than \$20,000 year? Will he also provide the number of general practitioners in each of the above categories? (June 8, 1981.)

Hon. Mr. Timbrell: The latest calendar year data available is for 1979. The requested percentages of the 1,542 non-participating specialists follow:

1. 25.2 per cent of the 6,109 specialists billing OHIP during 1979.
2. 29.1 per cent of the 5,304 specialists billing OHIP greater than \$20,000 in 1979.
3. 30.9 per cent of the 4,994 specialists billing OHIP greater than \$30,000 in 1979.
4. Not available.

The requested percentages of the 575 non-participating general practitioners follows:

1. 8.5 per cent of the 6,759 general practitioners billing OHIP during 1979.
2. 10.9 per cent of the 5,270 general practitioners billing OHIP greater than \$20,000 in 1979.
3. 11.9 per cent of the 4,848 general practitioners billing OHIP greater than \$30,000 in 1979.
4. Not available.
5. Not available.

HOSPITAL BEDS

63. Mr. McClellan: Will the Minister of Health table the most recent numbers of hospital beds, broken down into: (i) active treatment beds and (ii) chronic care beds? (May 1, 1981.)

Hon. Mr. Timbrell: The response tabled on June 15, 1981, did not include psychiatric, rehabilitation beds or beds in private hospitals. The following are the numbers of acute care beds and chronic care beds in hospitals in Ontario as at March 31, 1981. In addition, to complete the answer, I am including the number of extended care beds in nursing homes and homes for the aged.

Acute care, 36,341; chronic care, 12,171.

Extended care: nursing home, 28,295; homes for the aged, 13,118.

Total, 89,925.

64. Mr. McClellan: Will the Minister of Health table a list, by facility, of the number of: (i) active treatment; and (ii) chronic care beds which are planned, together with the dates on which they are due to be opened? (May 1, 1981.)

Hon. Mr. Timbrell: Our response is provided in the attached schedules.

SCHEDULE OF PLANNED INCREASES IN CHRONIC BEDS IN HOSPITALS

Hospital	Number of beds	Anticipated opening date
Almonte	17	1982-83
Royal Ottawa Hospital	45	1981-82
Brockville General Hospital	13	1981-82
Elizabeth Bruyere Hospital	50	1981-82
Baycrest Hospital	160	1985-86
Scarborough Providence Villa	224	1981-82
Scarborough Centenary Hospital	116	1984-85
Scarborough Grace Hospital	64	1985-86
McKellar General Hospital	25	1982-83
Porcupine General	30	1981-82
Credit Valley Hospital	100	1985-86
Mississauga Hospital	27	1981-82
St. Joseph's—Hamilton	30	1981-82
Chedoke—McMaster	60	1981-82
Cambridge	75	1981-82
Total increase	1,036	

Ontario Ministry of Health, Institutional Division, 15 Overlea Blvd., 7th Floor, Toronto, Ontario, M4H 1A9. June 29, 1981.

SCHEDULE OF PLANNED INCREASES IN ACUTE BEDS IN HOSPITALS

Hospital	Number of beds	Anticipated opening date
York Central Hospital	17	1981-82
Scarborough Centenary	100	1984-85
Scarborough Grace	236	1985-86
St. Joseph's—Elliot Lake	5	1982-83
Peel Memorial Hospital	60	1983-84
Mississauga General Hospital	106	1981-82
Credit Valley Hospital	275	1985-86
Wellesley Hospital	10	1981-82
Total increase	809	

Ontario Ministry of Health, Institutional Division, 15 Overlea Blvd., 7th Floor, Toronto, Ontario, M4H 1A9. June 23, 1981.

HEALTH PROJECT GRANTS

71. Mr. McClellan: Will the Minister of Health table a list of start-up grants provided for new health programmes in 1980-81 and budgeted, provided or otherwise projected for 1981-81,

indicating the amounts given and identifying the sponsoring organization? (May 1, 1981)

Hon. Mr. Timbrell: 1. Community Health: The following projects were implemented in 1980-81 or in 1981-82. Annualized amounts are shown for each year.

	1980-81		1981-82	
	Cost	Annualized effect	Projected	Annualized effect
(a) Official local health agencies				
— accreditation program			71.5	71.5
— francophone program			100.0	100.0
(b) Audiology and speech pathology in underserviced areas	73.7	114.0	177.9	177.9
(c) Per diems for specialists in underserviced areas		100.0	100.0	
(d) CNIP Vision Van, in underserviced areas	40.3	40.3		
(e) Placement and co-ordination services (e.g. Brantford)	12.5	60.0		
(e.g. Nipissing)			98.6	98.6
(f) Detoxification unit (St. Joseph's Hospital, Toronto)	112.7	257.0		
(g) Adult community mental health programs (e.g. Crisis Intervention Sudbury)	272.6	800.0		
(e.g. Community Resource Consultants)			500.0	800.0
(h) Home care (e.g. Windsor)	2,311.8	7,360.5		
(e.g. Porcupine)			3,968.2	6,442.7

2. Institutional Health: New programs and initiatives started in 1980-81:

Institution	Approved funding in 1980-81 for new programs and initiatives	
Toronto General.	\$2,324,300	
Mississauga General.	210,000	
York Central, Richmond Hill.	100,000	
North York Branson.	1,438,500	
Huron District, Midland.	82,200	
Toronto East General.	2,200,000	
Oshawa General.	909,000	
Kincardine.	66,300	
Tillsonburg.	458,300	
Windsor-Salvation Army Grace and Hotel Dieu.	993,822	
Owen Sound.	715,500	
University Hospital, London.	960,000	
Sarnia General.	248,000	
Windsor Western.	527,596	
Saugeen Memorial Hospital, Southampton.	89,448	
London, St. Joseph's.	391,900	
Chedoke-McMaster.	569,625	
Brant County.	40,833	
Groves Memorial, Fergus.	423,974	
Kingston — Hotel Dieu.	54,000	
Ottawa — Elisabeth Bruyere.	3,500,000	
Ottawa — General.	4,612,000	
Ottawa — Royal Ottawa.	603,000	

Ottawa—Commissariat.	814,000
Sault Ste. Marie—Plummer.	1,044,000
Kenora.	2,500
Geraldton.	27,000
Manitouwadge.	13,333
Marathon.	13,333
Nipigon.	13,333
Terrace Bay.	5,000
Nursing Homes	
Strathroy—Strathroy.	6,437
St. Olgas, Hamilton.	15,091
Parkdale, Toronto.	2,759
Craiglee, Toronto.	10,161
Kennedy, Toronto.	819

The minstry is awaiting submission of supplementary (part II) budgets for new and expanded programs for fiscal year 1981-81, following which there will be negotiations with the institutions concerned. A list of organizations and amounts cannot be provided until this process has been completed.

OHIP CLAIMS

73. **Mr. McClellan:** How many OHIP claims were submitted on an opted-out basis for: (i) 1980-81; and (ii) 1981-82 to date, and what percentage of the dollar cost of all OHIP claims did these claims represent? (May 1, 1981.)

Hon. Mr. Timbrell: During the 1980-81 fiscal period (May 1, 1980-April 30, 1981) 5,152,890 (7.99 per cent of all claims) were submitted on an opted-out basis. For these claims, OHIP reimbursed subscribers directly \$139,008,679 (10.91 per cent of total paid). No data is available as yet for the 1981-82 fiscal period.

120. **Mr. McLellan:** What is: 1. the dollar value of all claims received by OHIP from opted-out physicians; 2. the dollar value of all claims received by OHIP from all physicians? Will the minister provide this data for 1977-78, 1978-79, 1979-80 and the current available data for 1980-81? Will the minister separate radiology and pathology specialists from this calculation? (June 5, 1981.)

123. **Mr. McLellan:** What is: 1. the dollar value of all claims received by OHIP from opted-out general practitioners; 2. the dollar value of all claims received by OHIP from all general practitioners? Will the minister provide this data for 1977-78, 1978-79, 1979-80 and the current available data for 1980-81? (June 8, 1981.)

124. **Mr. McClellan:** What is: 1. the dollar value of all claims received by OHIP from opted-out specialists; 2. the dollar value of all claims received by OHIP from all specialists? Will the minister provide this data for 1977-78, 1978-79, 1979-80 and the current available data for 1980-

81. Will the minister separate radiology and pathology specialists from this calculation? (June 8, 1981.)

Hon. Mr. Timbrell: Our response is as follows:

	Dollar value of claims received by OHIP	
	Opted-out \$ million	Total \$ million
1977-78	76.4	882.2
1978-79	98.9	1011.3
1979-80	131.1	1071.6
1980-81	139.0	1274.2

POLICE COSTS

82. **Mr. Breaugh:** Will the Solicitor General table the total cost of the OPP investigation into the activities of CUPE members and others during the recent hospital strike? (May 8, 1981.)

Hon. Mr. McMurtry: It would be inappropriate to table financial data concerning police investigations.

PUBLIC OPINION POLLS

92. **Mr. T. P. Reid:** Will the minister table the public opinion polls commissioned by the government from March 11, 1980 to February 1, 1981? Will the ministry also provide the cost of each poll and the company that took the poll? Will the ministry table the polls that have been taken in this time period? (May 13, 1981.)

See sessional paper 158.

NUTRITION AWARDS

113. **Ms. Copps:** Will the Minister of Health table information regarding delivery of cheques

pursuant to the recent nutrition awards: (a) constituency of award-winning schools; (b) name and riding of member who presented cheques; (c)

impartial capacity in which the cheque-bearer was acting? (June 3, 1981.)

Hon. Mr. Timbrell: Our response is attached:

Food for Health Awards presentation

Friday, May 29, 1981

Part (a) Constituency	Part (b) Award presenter	(School receiving award)
Kingston and The Islands	Keith Norton, MPP Kingston and The Islands	Loyalist Collegiate and Vocational Institute
Carleton East	Bob MacQuarrie, MPP Carleton East	Elmwood School Incorporated
Mississauga North	Terry Jones, MPP Mississauga North	Morning Star Secondary School
Peterborough	John Turner, MPP Peterborough	Thomas A. Stewart Secondary School
Victoria-Haliburton	John Turner, MPP Peterborough	I. E. Weldon Secondary School
Windsor-Walkerville	Dr. Boyd Suttie, Assistant Deputy Minister, Ministry of Health	Monarch Secondary School
Parry Sound	Ernest Eves, MPP Parry Sound	Parry Sound High School
Sudbury	Dr. Barney Cook, Acting MOH Sudbury and District Health Unit	Sudbury Secondary School
Burlington South	G. Kerr, MPP Burlington South	M. M. Robinson High School
Brant/Oxford/Norfolk	Phil Gillies, MPP Brantford	Burford District High School
Hamilton West	Gordon Dean, MPP Wentworth	Agnes Macphail Secondary School
Windsor-Riverside	Dr. Boyd Suttie, Assistant Deputy Minister, Ministry of Health	Shawness Secondary School
Brock	Robert Welch, MPP Brock	Niagara District Secondary School
Erie	Helen Brown, Nutritionist Ministry of Health	Ridgeway-Crystal Beach High School
Scarborough North	D. R. Timbrell, Minister of Health	Lester B. Pearson Collegiate Institute
Scarborough East	D. R. Timbrell, Minister of Health	Sir Oliver Mowat Collegiate Institute
Scarborough East	D. R. Timbrell, Minister of Health	Sir Wilfrid Laurier Collegiate Institute
Beaches-Woodbine	D. R. Timbrell, Minister of Health	Lakeview Secondary School
Armourdale	D. R. Timbrell, Minister of Health	Fisherville Junior High School
Downsview	D. R. Timbrell, Minister of Health	Pierre LaPorte Junior High School

Part (c)

The people named are all representatives of the government.

LOAN AND TRUST COMPANIES

130. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many inspections were undertaken by the registrar of loan and trust corporations pursuant to section 123(1) of the Loan and Trust Corporations Act, and would he also itemize whether these inspections related to provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations? (June 8, 1981).

Hon. Mr. Walker: Section 123(1) of the Loan and Trust Corporations Act empowers the registrar or any person authorized under his hand and seal, with the approval of the minister, to conduct an examination of a corporation, and further states that it is an offence for any officer or person in charge, possession, custody or control of the books, vouchers, securities or documents to refuse or neglect to afford such an examination.

Section 123(1) would be made use of if the registrar, under the powers conferred on him under section 126(1), encountered resistance to an examination. No such resistance having been encountered by the registrar, I report that for each year from 1970 to 1980 inclusive and in 1981 to date there have been no examinations or inspections undertaken under the provisions of section 123(1).

131. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many special audits were undertaken at the direction of the registrar of loan and trust corporations pursuant to section 123(3) of the Loan and Trust Corporations Act, and would he also itemize whether these inspections related to provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations? (June 8, 1981).

Hon Mr. Walker: Section 123(3) empowers the registrar of loan and trust corporations to appoint an accountant to make a special audit of a registered corporation under specific circumstances. I am advised that no special audits were made under this section during the period from January 1, 1970, to date. I am also advised that the specific circumstances mentioned in section 123(3) did not arise during the period in question.

132. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many special examinations were requested by the minister pursuant to section 124 of the Loan and Trust Corporations Act, and would he also itemize whether these inspections related to provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations. (June 8, 1981.)

Hon. Mr. Walker: Section 124 empowers the minister to appoint any competent person to make a special examination and audit of a corporation. I am advised that no special examinations or audits were made under this section during the period from January 1, 1970, to date.

I am also advised that during the period in question it was not found necessary to take action under this section, as no application for a special examination was made to the minister, and there were no circumstances which came to the attention of the minister which would alert him to appoint a person to make a special examination and audit on his own motion.

133. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many reports were made by the registrar of loan and trust corporations and how many further inspections were authorized by the minister pursuant to section 126(2) of the Loan and Trust Corporations Act, and would he also itemize whether these reports related to provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations? (June 8, 1981.)

Hon. Mr. Walker: Section 126(2) empowers the minister to instruct the registrar of loan and trust corporations to visit branch offices of a registered corporation or cause a qualified member of his staff to do so, and to make such further inquiries as the minister may require. Such instructions can be given in circumstances where the registrar considers it necessary and expedient to make a further examination into the affairs of a registered corporation, other than the annual inspection called for under section 126(1), and so reports to the minister.

I am advised that it is the practice for an annual examination under section 126(1) to include a visit to one or more branch offices, and that the registrar's staff has encountered no resis-

tance from the corporations in conducting examinations without having to make use of the procedures outlined in section 126(2).

I am further advised that during the period from January 1, 1970, to date the registrar of loan and trust corporations has not reported to the minister, and thus no further inspections were authorized by the minister, under section 126(2).

134. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many special reports were made by the registrar of loan and trust corporations to the minister pursuant to section 128 of the Loan and Trust Corporations Act, and would he also itemize whether these special reports related to provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations? (June 8, 1981.)

Hon. Mr. Walker: Section 128 provides for the registrar of loan and trust corporations to make a special report to the minister if the registrar considers that the assets of the corporation are insufficient to justify its continuance in business. The section further provides for the suspension or cancellation of the registry.

I am advised that during the period from January 1, 1970, to date no special reports were made by the registrar under this section.

This section envisages a situation where a corporation should be put out of business. Before a corporation reaches a stage where action under section 128 would be appropriate, it is usual for a voluntary merger to be arranged. In situations involving extraprovincial corporations, it is not appropriate for the provincial jurisdiction to take action where the federal authorities have the jurisdiction to take the equivalent action under their legislation.

135. Mr. Bradley: Would the Minister of Consumer and Commercial Relations indicate, for each year from 1970 to 1980 inclusive and for such part of 1981 as is possible, how many corporations were registered pursuant to the Loan and Trust Corporations Act, and could he also itemize whether these were provincial loan corporations, extraprovincial loan corporations, provincial trust corporations or extraprovincial trust corporations? (June 8, 1981.)

Hon. Mr. Walker: Following are the number of loan corporations and trust companies registered to transact business in Ontario as of December 31 for each year from 1970 to 1980 inclusive and as of June 1, 1981.

Year	Provincial loan corporations	Extra- provincial loan corporations	Provincial trust companies	Extra- provincial trust companies	Total
1970	10	11	15	20	56
1971	10	13	12	19	54
1972	9	13	13	20	55
1973	9	14	13	24	60
1974	8	18	14	24	64
1975	8	19	14	24	65
1976	8	18	14	32	72
1977	11	19	17	34	81
1978	10	19	20	37	86
1979	10	21	20	39	90
1980	10	24	20	38	92
1981	9	24	19	38	90

TELIDON STUDY

138. Mr. Van Horne: Would the Minister of Health indicate to what extent his ministry is studying the application of Telidon technology to the delivery of health care services in Ontario? (June 18, 1981.)

Hon. Mr. Timbrell: Telidon is the trade name for a new television system with the potential for

two-way, interactive communication, that has been developed by the federal Department of Communications.

It is a highly sophisticated medium for transmitting and receiving information on a television screen, which can display words, figures, diagrams or pictures.

In the home, for instance, a video display could be hooked up to a home computer that

can be programmed by the user. The home unit would also be hooked up to a central computer that can be called upon for information on anything from aerospace engineering designs to local food prices.

One of the more sensational aspects of Telidon is its potential for use as a means of two-way communication. For example, an architect in Japan will be able to discuss his building design with a colleague in Canada, and change the drawing while the discussion is in progress.

Telidon is considered superior to its British and French counterparts because it is the only system that can produce rounded images. It has been taken up by AT&T in the United States, which is considered a coup for Canada, since Telidon will become the accepted North American system.

It is not yet available, but Electrohome and other firms are preparing to put Telidon equipment on the market.

Telidon could of course be useful for long-distance medical diagnosis. At the moment the Ontario Ministry of Health uses a program that consists of a private network system of video and audio signals called Telemedicine which enables hospitals in outlying areas of the province to communicate with doctors in other parts of Ontario. It can be used for ultrasound examinations, professional consultations about X-rays, electrocardiographs, and for patient consultations. It already links Sioux Lookout with hospitals in Toronto, and a proposal from Thunder Bay to link five outlying communities is under consideration. It is also under consideration in several other northern Ontario communities.

Two other hospitals which are on the Telemedicine interactive system are the Clarke Institute of Psychiatry, which is linked to the Lakehead Psychiatric Hospital, and the University Hospital in London, which is linked to the Woodstock General Hospital.

The Ministry of Health is interested in following the development of Telidon technology and exploring the potential to health care delivery, but has no specific plans for application of it at this time.

CONSTITUENCY OFFICE EMPLOYEE

139. Mr. Boudria: Was Mr. Jean-Maurice Demers of Hawkesbury, Ontario, on the constituency office program payroll, at the employ of Albert Belanger, former MPP? If so, for how long and what was the total salary paid to him for that period? (June 22, 1981.)

This is not a matter which falls within the purview of any government ministry.

INTERIM ANSWERS

140. Ms. Bryden: A response to the above question will be forthcoming by approximately October 30, 1981 — Hon. F. S. Miller.

141. Mr. Van Horne: It is not possible to provide a response prior to the end of the current legislative session. A response will be tabled on or about October 30, 1981 — Hon. Mr. Timbrell.

143. Mr. T. P. Reid: This information is not kept in the ministry. However, the ministry will attempt to find the information, if possible, and will report further if the information is available — Hon. Mr. McMurtry.

RESPONSE TO PETITION

UREA-FORMALDEHYDE FOAM INSULATION

Hon. Mr. Timbrell: Following is our reply to sessional paper 115 which is a petition regarding urea-formaldehyde foam insulation.

The government of Ontario through the Ministry of Health will ensure that all residents of Ontario whose homes are insulated with urea-formaldehyde foam will be entitled to the federal government test to determine levels of urea-formaldehyde gas in their dwellings. Results will be shared with home owners who may consult family physicians on any health effects. The Ontario government will not provide funding to seal or remove foam from private dwellings since this is a responsibility of the government of Canada.

APPENDIX B*

ALPHABETICAL LIST OF MEMBERS

(125 members)

First Session of the Thirty-Second Parliament

Lieutenant Governor: Hon. J. B. Aird, OC, QC**Speaker: Hon. John M. Turner****Clerk of the House: Roderick Lewis, QC****Andrewes, P. W.** (Lincoln PC)**Ashe, Hon. G. L.;** Minister of Revenue (Durham West PC)**Baetz, Hon. R. C.;** Minister of Culture and Recreation (Ottawa West PC)**Barlow, W. W.** (Cambridge PC)**Bennett, Hon. C. F.;** Minister of Housing (Ottawa South PC)**Bernier, Hon. L.;** Minister of Northern Affairs (Kenora PC)**Birch, Hon. M.;** Provincial Secretary for Social Development (Scarborough East PC)

Boudria, D. (Prescott-Russell L)

Bradley, J. J. (St. Catharines L)

Brandt, A. S. (Sarnia PC)

Breagh, M. J. (Oshawa NDP)

Breithaupt, J. R. (Kitchener L)

Bryden, M. H. (Beaches-Woodbine NDP)

Cassidy, M. (Ottawa Centre NDP)

Charlton, B. A. (Hamilton Mountain NDP)

Conway, S. G. (Renfrew North L)

Cooke, D. S. (Windsor-Riverside NDP)

Copps, S. M. (Hamilton Centre L)

Cousens, D. (York Centre PC)

Cunningham, E. G. (Wentworth North L)

Cureatz, S. L. (Durham East PC)

Davis, Hon. W. G.; Premier (Brampton PC)

Dean, G. H. (Wentworth PC)

Di Santo, O. (Downsview NDP)

Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)

Eakins, J. F. (Victoria-Haliburton L)

Eaton, R. G. (Middlesex PC)

Edighoffer, H. A. (Perth L)

Elgie, Hon. R. G.; Minister of Labour (York East PC)

Elston, M. J. (Huron-Bruce L)

Epp, H. A. (Waterloo North L)

Eves, E. L. (Parry Sound PC)

Fish, S. A. (St. George PC)

Foulds, J. F. (Port Arthur NDP)

Gillies, P. A. (Brantford PC)

Gordon, J. K. (Sudbury PC)

Grande, T. (Oakwood NDP)

Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)**Grossman, Hon. L. S.;** Minister of Industry and Tourism (St. Andrew-St. Patrick)

Haggerty, R. (Erie L)

Harris, M. D. (Nipissing PC)

Havrot, E. M. (Timiskaming PC)

Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)

Hennessy, M. (Fort William PC)
Hodgson, W. (York North PC)
Johnson, J. M. (Wellington-Dufferin-Peel PC)
Johnston, R. F. (Scarborough West NDP)
Jones, T. (Mississauga North PC)
Kells, M. C. (Humber PC)
Kennedy, R. D. (Mississauga South PC)
Kerr, G. A. (Burlington South PC)
Kerrio, V. G. (Niagara Falls L)
Kolyn, A. (Lakeshore PC)
Lane, J. G. (Algoma-Manitoulin PC)
Laughren, F. (Nickel Belt NDP)
Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)
Lupusella, A. (Dovercourt NDP)
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Mancini, R. (Essex South L)
Martel, E. W. (Sudbury East NDP)
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McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
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McEwen, J. E. (Frontenac-Addington L)
McGuigan, J. F. (Kent-Elgin L)
McKessock, R. (Grey L)
McLean, A. K. (Simcoe East PC)
McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
McNeil, R. K. (Elgin PC)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
Miller, G. I. (Haldimand-Norfolk L)
Mitchell, R. C. (Carleton PC)
Newman, B. (Windsor-Walkerville L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
O'Neil, H. P. (Quinte L)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Piché, R. L. (Cochrane North PC)
Pollock, J. (Hastings-Peterborough PC)
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
Ramsay, Hon. R. H.; Provincial Secretary for Resources Development (Sault Ste. Marie PC)
Reed, J. A. (Halton-Burlington L)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Riddell, J. K. (Huron-Middlesex L)
Robinson, A. M. (Scarborough-Ellesmere PC)
Rotenberg, D. (Wilson Heights PC)
Roy, A. J. (Ottawa East L)
Runciman, R. W. (Leeds PC)
Ruprecht, T. (Parkdale L)
Ruston, R. F. (Essex North L)
Samis, G. R. (Cornwall NDP)
Sargent, E. C. (Grey-Bruce L)
Scrivener, M. (St. David PC)

Sheppard, H. N. (Northumberland PC)
 Shymko, Y. R. (High Park-Swansea PC)
 Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Spensieri, M. A. (Yorkview L)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities (York Mills PC)
Sterling, Hon. N. W.; Minister without Portfolio (Carleton-Grenville PC)
 Stevenson, K. R. (Durham-York PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Swart, M. L. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Taylor, G. W. (Simcoe Centre PC)
 Taylor, J. A. (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
 Treleaven, R. L. (Oxford PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
 Van Horne, R. G. (London North L)
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Walker, Hon. G. W.; Provincial Secretary for Justice and Minister of Consumer and Commercial Relations (London South PC)
 Watson, A. N. (Chatham-Kent PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Williams, J. R. (Oriole PC)
Wiseman, Hon. D. J.; Minister of Government Services (Lanark PC)
 Worton, H. (Wellington South L)
 Wrye, W. M. (Windsor-Sandwich L)
 Yakabuski, P. J. (Renfrew South PC)

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council
 Welch, Hon. R. S., Minister of Energy and Deputy Premier
 Wells, Hon. T. L., Minister of Intergovernmental Affairs
 Bernier, Hon. L., Minister of Northern Affairs
 Snow, Hon. J. W., Minister of Transportation and Communications
 Birch, Hon. M., Provincial Secretary for Social Development
 Bennett, Hon. C. F., Minister of Housing
 Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
 Timbrell, Hon. D. R., Minister of Health
 Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities
 McMurtry, Hon. R. R., Attorney General and Solicitor General
 Henderson, Hon. L. C., Minister of Agriculture and Food
 Norton, Hon. K. C., Minister of the Environment
 Drea, Hon. F., Minister of Community and Social Services
 Grossman, Hon. L., Minister of Industry and Tourism
 McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabine
 Baetz, Hon. R. C., Minister of Culture and Recreation
 Wiseman, Hon. D. J., Minister of Government Services
 Elgie, Hon. R. G., Minister of Labour

Walker, Hon. G. W., Provincial Secretary for Justice and Minister of Consumer and Commercial Relations

Gregory, Hon. M. E. C., Minister without Portfolio

Pope, Hon. A. W., Minister of Natural Resources

Leluk, Hon. N. G., Minister of Correctional Services

Ashe, Hon. G. L., Minister of Revenue

Ramsay, Hon. R. H., Provincial Secretary for Resources Development

McCaffrey, Hon. R. B., Minister without Portfolio

Sterling, Hon. N. W., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy

Brandt, A. S. (Sarnia), assistant to the Minister of Labour

Dean, G. H. (Wentworth), assistant to the Minister of Education

Eaton, R. G. (Middlesex), assistant to the Minister of Transportation and Communications

Fish, S. A. (St. George), assistant to the Minister of Culture and Recreation

Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development

Gordon, J. K. (Sudbury), assistant to the Minister of Health

Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs

Hodgson, W. (York North), assistant to the Minister of Government Services

Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics

Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernment Affairs

Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Tourism

MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General

McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food

Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations

Rotenberg, D. (Wilson Heights), assistant to the Minister of Housing

Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment

Taylor, G. W. (Simcoe Centre), assistant to the Attorney General

Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services

Williams, J. R. (Orillia), assistant to the Minister of Revenue

Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: Messrs. Andrewes, Breithaupt, Elston, Gordon, Laughren, MacQuarrie, Mitchell, Philip, Piché, Treleaven, Williams, and Wrye; clerk, S. Forsyth.

General government: Messrs. Barlow, Brandt, Ms. Bryden, Ms. Copps, Messrs. Eves, Kells, McGuigan, McKessock, Runciman, Sheppard and Wildman; clerk, F. Nokes.

Resources development: Ms. Copps, Messrs. Eakins, Eaton, Harris, Havrot, J. M. Johnson, J. F. Johnston, Lane, McNeil, Renwick, Riddell, and Stevenson; clerk, A. Richardson

Social development: Mr. Dean, Ms. Fish, Messrs. Gillies, R. F. Johnston, Jones, Kolyn, McClellan, Ruprecht, Shymko, Sweeney and Van Horne; clerk, D. Arnott.

Members' services: Messrs. Boudria, Di Santo, Hodgson, Kerr, McLean, O'Neil, Robinson, Rotenberg, Ruston, Samis, G. W. Taylor and Watson; clerk, A. Richardson.

Procedural affairs: Messrs. Breaugh, Charlton, Edighoffer, Epp, Kerr, Mancini, McLean, Piché, Robinson, Rotenberg, Watson and Hodgson; clerk, S. Forsyth.

Public accounts: Messrs. Cousens, Cunningham, Foulds, Peterson, Philip, Pollock, T. P. Reid, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Villeneuve and Yakabuski; clerk, G. White.

Regulations and other statutory instruments: Messrs. Barlow, Brandt, Eves, Grande, Haggerty, Hennessy, Kells, MacDonald, McEwen, G. I. Miller, Runciman and Sheppard; clerk D. Arnott.

SELECT COMMITTEES

Company law: Chairman, Mr. Breithaupt; members, Messrs. Cunningham, Di Santo, Hennessy Kolyn, Mitchell, Pollock, T. P. Reid, Renwick, Sheppard, G. W. Taylor and Van Horne

Ombudsman: Chairman, Mr. Runciman; members, Messrs. Andrewes, Barlow, Boudria, Cooke, Dean, Eves, Kells, G. I. Miller, Philip, Shymko and Van Horne.

Pensions: Chairman, Mr. J. A. Taylor; members: Messrs. Brandt, Cousens, Cureatz, Epp, Gillies, Jones, Mackenzie, McClellan, Peterson, Riddell and Williams.

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Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
Boudria, D. (Prescott-Russell L)
Bradley, J. J. (St. Catharines L)
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Conway, S. G. (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Copp, S. M. (Hamilton Centre L)
Cousens, D.; Deputy Chairman (York Centre PC)
Cureatz, S. L.; Chairman (Durham East PC)
Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
Elgie, Hon. R. G.; Minister of Labour (York East PC)
Elston, M. J. (Huron-Bruce L)
Grande, T. (Oakwood NDP)
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
Kolyn, A. (Lakeshore PC)
Martel, E. W. (Sudbury East NDP)
McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Philip, E. T. (Etobicoke NDP)
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Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
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Ontario.

No. 68

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, October 13, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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An alphabetical list of members of the Legislature of Ontario, together with lists of members of the executive council, the parliamentary assistants and members of the standing committees, also appears at the back as an appendix.

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LEGISLATURE OF ONTARIO

Tuesday, October 13, 1981

The House met at 2:03 p.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Mr. McCaffrey: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: The Lieutenant Governor transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1982, and recommends them to the Legislative Assembly. Signed by John B. Aird, Lieutenant Governor, Toronto, October 13, 1981.

FIRST CLERK ASSISTANT

Mr. Conway: Mr. Speaker, I rise on a point of personal privilege. I am concerned about what I believe to be the most basic and the most important of all parliamentary privileges, namely, the independence of this Legislative Assembly.

I have before me, sir, your letter to Dr. E. E. Stewart, Deputy Minister, Office of the Premier, dated August 18, 1981, in which you indicate that you "will not be recommending the reappointment of Mr. John A. Holtby, first clerk assistant of this assembly."

I read your letter with great care and attention. I have also read it with greater concern and disappointment. You spoke, Mr. Speaker, in that letter of August 18, of difficulties that had to be resolved, of personality conflicts that were irreconcilable and, from your point of view, were very troubling and rendered the operations of this assembly something less than you would have liked them to have been.

There can be no doubt, sir, that your action regarding the dismissal of the former first clerk assistant has dealt very directly with some of that problem. Unfortunately, your actions, as outlined in the August 18 letter, are incomplete from my point of view and will be perceived as such on at least two counts. There can be no doubt in my mind that all honourable members share with you the very difficult job which is yours to perform on behalf of all 124 other members in this assembly. We would be dishonest if we did not all publicly and privately agree that

there are difficulties, as will naturally occur when you put 125 people in the function we all share.

But in my view, sir, as I said earlier, your action is only a partial response to a very serious problem. The fact is that it will be seen as a partial response to a serious internal problem. That reality and indeed that perception, taken together with an equally important consideration, which I would briefly describe as the incomplete and imperfect consultation that preceded the actions of August 18, will in my humble view jeopardize in a significant way the independence of this Legislature.

I also say that there can be no doubt in my mind—and I profess to speak only as a private member—that your actions in this respect will be hailed by some but not all. I dare say that, privately if not publicly, your actions will meet with far greater approval on the government side of this House than on the opposition benches. That is the nub of the difficulty as far as the independence of this Legislature is concerned.

As the Camp commission so eloquently pointed out, this assembly has had a long and very difficult time in coming to terms with the development and evolution of a genuinely independent role for itself. In the second report of the Camp commission, tabled in December 1973, on page four, there is a very timely and useful bit of advice. I quote briefly from one sentence of that second Camp commission report: "It is the belief of the commission that the administration of the affairs of the Legislature ought not to depend on personalities. Instead, a permanent administrative framework should be created, strong and durable enough to function regardless of personality."

I will conclude, sir, by simply advising of my very personal and deep concern about the impressions and the realities that will flow from your action of August 18. As well, I strongly advise you and other members interested in this most important of parliamentary matters to look seriously and again at the recommendation of my friend and colleague the member for York South (Mr. MacDonald), who on April 3, 1980, discussed a private member's resolution

that sought to establish the kind of administrative framework that would remove from you, sir, and from many others, the kind of difficulties into which, in the absence of this kind of framework, we have fallen in this instance.

In conclusion, I regret again that the actions have been taken without the complete consultation with the principals of this assembly. Your letter speaks of consultation, but it is my impression, having spoken with a number of members of this assembly, that the consultation of the leadership of all political parties in this assembly was not as complete as it ought to have been. I strongly encourage that the resolution of the member for York South, seeking as it does to establish and entrench the administrative framework so that this kind of consultation can be put in place, ought to be proceeded with as soon as possible.

2:10 p.m.

Mr. MacDonald: Mr. Speaker, may I add a few words in general endorsement of the thrust of the remarks by the member for Renfrew North (Mr. Conway)?

He has referred to my resolution of something over a year ago which was debated in this House. While some reservations were expressed in various portions of the House, I think the principle of it was generally accepted. I would like to believe that principle is going to be adhered to and is going to be implemented.

Even more important, the whole thrust of the report of the Camp commission some six or seven years ago was that, if we were going to be able to get this Legislature back on track in terms of British parliamentary experience, the Legislature would have to be set up as an independent body, independent of the government in many respects. It made specific recommendations, many of which have been implemented, I hasten to say.

However, there is one area that is critical, that of the posts of Speaker of the House, Clerk of the House and first clerk assistant. I could go further but I will not do so today. If we are going to live up to that principle, the people who are servants of this House and who are answerable to this House must be chosen by people who speak for this House; in my view, by the House leaders.

If I have any objection, and I do have an objection, I think the letter to the secretary of cabinet was in keeping with the old pattern which I thought was part of a closed chapter that we were now going to forsake, namely, informing the clerk of the cabinet, and through

him the cabinet, that you did not see fit to appoint a servant of this House. In my view, that is a point that should be discussed by the House leaders.

I make only this point in conclusion: I understand that process is now being grappled with. Henceforth, when we are appointing servants of this House—you and your successors in the years ahead, but more immediately people around the table—I trust that decision will be made in consultation with the House leaders, who can speak on behalf of all the parties in the House. If that is done, these people not only will be perceived to be servants of the House but also in reality will be servants of the House, which they should be, and not servants of the government, either in perception or in reality.

I trust the efforts that are now being made, the discussions that are now going on among the House leaders, will be pursued so that by a process of osmosis, if not automatic implementation, the spirit of my resolution a year or so ago will be accepted and implemented.

Hon. Mr. Davis: Mr. Speaker, I want to comment briefly on this matter so that the perception the member for Renfrew North was endeavouring to create does not become a reality. The perception he was trying to create, that there were a number on the government side of the House who took some satisfaction or were pleased with what has transpired is just factually untrue.

While I am not going to debate today the basis of the resolution standing in the name of the member for York South, because that to me is not the issue at this precise moment, I understand from the government House leader that arrangements have been made already with you, Mr. Speaker, to discuss how the first clerk assistant, if that is the correct terminology, is to be appointed.

I must remind members of the House that, while they always take great delight and pleasure in saying how independent the Legislature must be from the government—and I accept that principle with enthusiasm—I also sense that, when things do not go too smoothly here in the House, it is the government by and large that is held responsible, not the independent officers of the assembly on all occasions.

Mr. Martel: And well it should be; you are accountable for your actions.

Hon. Mr. Davis: That is fine. But all I am saying is, my honourable friend cannot have it both ways.

I do not mean to be provocative, Mr. Speaker. You were faced with what was a regrettable situation in terms of the relationships that existed amongst officials of this House. I think it is fair to state that the former Speaker was aware of this.

I think the former Speaker could say that in my capacity as Premier I never tried to interfere with his functioning nor sought special favours, other than maybe a cup of tea—I did not even seek that—in all his time as Speaker of this assembly. I would be very surprised if he could say anything to the contrary. I never sought from him any special consideration in terms of debates or as to whether something was an emergency or not. That was, in my view, the proper type of relationship.

I think it would be unfair for the member for Renfrew North to create the impression that you, Mr. Speaker, exercised anything other than a reasonable judgement, faced with a difficult situation. On behalf of the members on this side of the House, in my view, a decision has been made. It was not easy. I am one of those who is prepared to stand up and wish John Holtby extremely well in his new career. I say that on behalf of all the government members in the House.

STATEMENTS BY THE MINISTRY

TRIBUTES TO LEADER OF THE OPPOSITION

Hon. Mr. Davis: Mr. Speaker, I have one or two statements to make. At the outset, I must say that the first one is not a prepared statement, and I do apologize to the Leader of the Opposition (Mr. Smith) for not having it prepared in advance. But, in that we are starting the fall session of the new parliament, and recognizing how feelings were last spring and accepting that the Leader of the Opposition and I have had, shall we say, the odd verbal confrontation, I am most sincere in saying to the member for Hamilton West—not that I totally regret his decision; I have mixed views on that—that as one who knows something of the sacrifice that is made being in public service, while I have not had the experience, and I hope never will, of being Leader of the Opposition, I know how difficult a task it is, particularly when I look at some of his colleagues across the House and know how some of his caucuses must have been.

Mr. Peterson: Like the member for Prince Edward-Lennox (Mr. J. A. Taylor), you mean?

Hon. Mr. Davis: Listen, don't provoke me today, because I can recite chapter and verse some of the honourable member's antics. He is part of the problem.

Mr. Martel: You should look to your left.

Hon. Mr. Davis: I say to the member for Sudbury East (Mr. Martel), unlike him I do not look to my left but either straight ahead or a little bit to the right.

Mr. Speaker: Will the Premier please carry on with his statement?

Hon. Mr. Davis: Yes, I will carry on with my statement. Knowing something of the personal sacrifice that is involved in terms of one's family and one's profession, I fully appreciate what the Leader of the Opposition has gone through and what he has contributed in his period as Leader of the Opposition here in Ontario. I know it is not coming to an end today. That does not happen, I guess, until whenever it is in March, but I do offer to him my sincere best wishes, and I say this most sincerely, for the future. I cannot promise him any public sector responsibility that is necessarily approved by this government, but I would be more than willing to make a representation to the government of Canada that, for instance, a seat in the Senate would be most appropriate for the member for Hamilton West. I speak quite seriously—

Mr. Sargent: You lack class.

Hon. Mr. Davis: I hope the honourable member is being as kind to his leader as I am.

I say to the Leader of the Opposition, in a very personal sense and speaking for my cabinet and caucus colleagues, that we wish him well in whatever career—I hope nonpolitical—he may wish to pursue.

2:20 p.m.

Mr. Smith: Mr. Speaker, I might briefly respond by thanking the Premier for his gracious comments. I do not quite feel ready for the upper house at the federal level—not that I have been offered it—in fact, there are times in this House when I feel ready for retirement from the upper house at the federal level.

I do not intend to view politics from that lofty a height. I hope during the next few months to make life as interesting as possible for the Premier of Ontario and for his colleagues, who certainly vary from each other in their comments on matters such as human rights—as from time to time even my own colleagues have been known to vary from each other.

Mr. Nixon: Very rarely.

Mr. Smith: I will have occasion to address a few comments, I am sure, when it comes time for me to actually step down as leader. At that time I presumably will speak at greater length. But today I simply want to say I intend to be as vigorous an opposition leader as possible for the next little while.

I certainly have appreciated the exchanges that have occurred between the Premier, the leader of the New Democratic Party and myself. I respect them as gentlemen and hope we can continue a relationship at that civilized level for the remainder of my term here as Leader of the Opposition. I simply want to say thank you to the Premier for his kind comments.

Mr. Cassidy: Mr. Speaker, I too want to express my sympathy to the leader of the official opposition for the difficult decision I know he had to go through this summer. I have been that route before; so that makes two of us now. I suspect that in a few months' time the member for Hamilton West and myself could get together and write our memoirs jointly of the last three or four years in the Ontario Legislature. He could psychoanalyse the government and I could chronicle what they have done. We might come up with some truths as a consequence.

It is a bit too soon to write the obituary of the member for Hamilton West. He, like I, is passing on to that role of elder statesman within his own party, which allows one a bit more licence, a bit more freedom to speak truth and to act independently. He has certainly put in long hours and a great deal of effort and energy over a period of some five and a half years in seeking to take his party to power, as I have with mine. It has been a frustrating experience for both of us, but I certainly wish his successor well as I wish my successor well.

Both of us will be watching with interest, because I understand there are not two but, in fact, three battles which may be fought over the coming years for the succession. We will be watching the government benches to see what the pretenders are doing on that side as eagerly as the government will be watching these benches here.

CONSTITUTIONAL DISCUSSIONS

Hon. Mr. Davis: Mr. Speaker, I want to leap in and say the next statement I make has nothing to do with my political plans for the future.

Mr. Bradley: Mayor of Brampton.

Hon. Mr. Davis: Not a bad job.

Again, I will apologize for the very brief

verbal report on the constitutional discussions. I have had my notes updated only in the last few minutes; so I have no written report. The best information I can share with honourable members of the House is really what I said at the press conference, and they have probably read that in the press.

I made it quite clear that I was ready to go to a meeting today. I was ready to go this coming Thursday. There may be a meeting of all 10 Premiers on Monday; I am not completely sure of that yet. The Premier of British Columbia is meeting with the Prime Minister this evening, I believe. The Prime Minister has indicated he would now meet—instead of today or Thursday—next Tuesday.

I said to the press conference that, if there could be some greater measure of consensus, Ontario would be delighted to participate in that. We would have some measure of flexibility in terms of the charter itself. We have said from the outset that we have an open mind with respect to an amending formula, and we still have that.

As events unfold, I will share with members of the House any information I have. But at the moment it appears as though there could be a meeting of first ministers on Tuesday. There probably will be a meeting of Premiers on Monday. If I am invited to that meeting, I shall be there and will report to the House on my return.

ONTARIO ENERGY INVESTMENT

Hon. Mr. Davis: Mr. Speaker, I do have a formal statement to make. I am pleased to advise the House that an agreement in principle has been reached between Sun Company Incorporated of Radnor, Pennsylvania, and Ontario Energy Resources Limited, a subsidiary of the Ontario Energy Corporation, to purchase 25 per cent of the shares of Suncor Incorporated.

The negotiated price for this interest is \$650 million.

Final arrangements for the sale will be worked out over the next few weeks and will be subject to satisfactory agreements and other conditions being achieved.

As members know, the Canadianization and crude oil self-sufficiency goals outlined in the federal government's national energy program

pose enormous financing challenges to Canada when one considers the very large asset base of the petroleum industry.

Mr. Cassidy: You wouldn't do this for Denison.

Mr. Speaker: Order.

Hon. Mr. Davis: Denison is Canadian-owned.

Mr. Smith: That is a new distinction for you.

Hon. Mr. Davis: Yes, there is a distinction; I hope the Leader of the Opposition understands it.

This purchase will assist in the Canadianization of the petroleum industry and fulfils a policy commitment announced by the Minister of Energy (Mr. Welch) a year ago for greater Ontario participation in the Canadian petroleum industry.

The government has been assured by Sun Company Incorporated that it intends to continue to seek other Canadian investors so that at least 51 per cent of Suncor shares will be owned by Canadians as soon as possible.

The agreement provides for additional opportunities for Ontario Energy Resources to negotiate a further percentage interest from Sun, if necessary, in order to facilitate the Canadianization process.

As a result of this acquisition, Ontario Energy Resources Limited has the right to nominate a proportionate number of members to the Suncor board of directors.

Over the past several months, the Ontario Energy Corporation has considered a number of potential opportunities to determine which investment could most effectively contribute to Canadianization of the industry and other policy objectives, including a stronger voice for Ontario and its people in the energy business. Its financial consultants, McLeod Young Weir Limited and Price Waterhouse and Company, have exhaustively reviewed the assets and business of Suncor and have advised that the negotiated price is a sound investment for Ontario taxpayers.

As members may know, Sun Company Incorporated first invested in Canada in 1919. During that time its investment has grown so that today Suncor is one of Canada's largest integrated oil companies and was the first to tap the enormous potential of the Alberta oil sands on a commercial scale.

Suncor explores for and produces conventional crude oil and natural gas in Canada's western provinces and is active in the search for oil and gas in the frontier areas, including the

Arctic islands, the Mackenzie Delta and offshore Labrador. As well, Suncor manufactures, distributes and markets gasoline, petrochemicals, home heating oil, heavy fuel oil, lubricants and specialty products as well as owning and operating a refinery in Sarnia.

The initiative I have announced today signals a new phase in the activities of the Ontario Energy Corporation and represents a commitment by this government to contribute to crude oil self-sufficiency for Canada and to provide Ontario with a stronger voice in the determination of energy policy in this country.

Interjections.

Mr. Speaker: Order. I ask those leadership hopefuls to please maintain order in the chamber.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to make a few remarks, not as Minister of Intergovernmental Affairs but as government House leader. I do not have a copy of this but, since we are all here again for this fall session, dedicated to the beginning of a very workmanlike and productive session, I thought I might outline at this earliest possible time the business of the House.

As will be very obvious to members from the list of estimates considerations still remaining on the Order Paper, the bulk of the time in our four main standing committees will be spent on estimates. On our Order Paper today we see that there are 240 hours of estimates work still to be done. However, I am sure the committees will be able to handle this job.

2:30 p.m.

Without in any way prejudicing later decisions of the House, Mr. Speaker—as you know, you have two motions before you for an emergency debate—I would like to indicate the business of the House which has been arranged through the usual channels with the other House leaders.

If it is decided that legislation should proceed this afternoon, we will call Bills 100, 47, 22 and 6. At eight o'clock tonight, immediately after the supper recess, we will call Bill 84 and then return to Bill 6, the Business Corporations Act, for the remainder of the evening if time remains.

On Wednesday, the general government, resources development and administration of justice committees may meet in the morning. On Thursday afternoon we will have private

members' public business, and I expect to be putting a motion to the House later this afternoon which will affect one of the two items.

On Thursday evening, we will take into consideration the final 1980 report of the standing committee on public accounts. While there is no motion for adoption of this report, I think there are a number of items in the report that will be of very topical interest to all the members.

On Friday, we will enter into debate on the final three bills from the 1981 budget, Bills 71, 79 and 80. I point out that we will also continue with consideration of these pieces of legislation next Monday afternoon.

Looking into other business likely for the House during this session, I expect that we will be calling Bill 68, the Metropolitan Police Force Complaints Project Act, as soon as it is reported from committee, which I assume will be in the not-too-distant future. The same will apply for Bill 7, The Human Rights Code, 1981, when the work of the committee on that bill has been concluded and it is back here in the House.

On the Order Paper there are about 16 bills, and we intend to proceed with all of those. Looking at the future, I see about another 24 bills that will be introduced very shortly, and we hope the House will be able to consider those before Christmas. To show that we are really moving ahead, four or six of those bills will be introduced today, and I expect by the end of the week that another six or so will have been introduced.

I trust we will be able to enjoy a very profitable session of this Legislature. I might say, in making that wish, I welcome all the members back. I am particularly pleased to see that the member for Dovercourt (Mr. Lupusella) is back with us again, and I know that the members of the House would like to welcome him back. Mr. Speaker, I am sure we will all be co-operating to help you make this a very workable centre of democracy.

Mr. Breithaupt: Mr. Speaker, with respect to the announcement made by the government House leader (Mr. Wells), he mentioned 240 hours and yet the Order Paper shows 375. Has this now been agreed as to all the changes?

Hon. Mr. Wells: It is my understanding that is the amount of legal time left according to the Order Paper. If you add up the estimates columns, the amount of time left comes to about 240 hours. We are not yet filling up the complete time. That is the time that would remain to you.

HEATING GRANT PROGRAM

Hon. Mr. Ashe: Mr. Speaker, later today I will be introducing two bills which will implement the program for temporary home heating assistance announced by the Treasurer of Ontario (Mr. F. S. Miller) on June 23, 1981.

The bill to amend the Ontario Pensioners' Property Tax Assistance Act will enact the temporary home heating grant. This grant is designed to offset some of the impact of home heating costs—cost increases that senior citizens are likely to experience over the next three years.

Persons 65 years of age or older who have incurred occupancy costs for their family home will automatically receive their temporary home heating grants in the spring of 1982, 1983 and 1984. The amounts of the grants will be \$60 for 1981, \$40 for 1982 and \$20 for 1983. The bill to amend the Income Tax Act will enact the temporary home heating credit. This credit is intended to reduce the impact of home heating costs for other low-income and fixed-income Ontarians for the next three years.

Individuals who own or rent their homes will be able to claim the temporary home heating credit by filling out the Ontario tax credit form in their income tax returns. The maximum amounts of the credits again will be \$60, \$40 and \$20 for the respective years 1981, 1982 and 1983. Because the home heating credit is geared to the income of taxpayers, the credit will be reduced by one per cent of their taxable income for the year.

Other amendments in this bill to amend the Income Tax Act will bring the administrative provisions of the Ontario act into line with the federal Income Tax Act. Under the terms of the Canada/Ontario tax collection agreement, Ontario's individual income tax and tax credits are administered for the province by the federal government. The proposed amendments will facilitate the common administration of the federal and Ontario income tax.

Mr. Speaker: Before proceeding with oral questions, I would like to draw to the members' attention the presence of Senator James Mills, who represents the 40th district of the California state Senate. I would ask you all to join with me in welcoming Senator Mills.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, may I inquire of the Premier in regard to the statement he has made

concerning the purchase of 25 per cent of the shares of Suncor, could the Premier share with the House some further information? First, is it his understanding that this 25 per cent interest will give Ontario Energy Corporation a controlling interest in Suncor as of now, even before additional buyers are found within the country? Second, can he give us some indication of what return he is anticipating on the investment Ontario is making, taking into consideration the interest costs, which undoubtedly have been calculated, in raising the \$650 million?

Hon. Mr. Davis: Mr. Speaker, I am not an expert in the matter of what constitutes control, but if 51 per cent constitutes control, then obviously we do not and are not intending to acquire control. Our involvement really is to pave the way for Canadianization of this particular integrated energy company, with the desire to have somebody or some companies acquire the additional 26 per cent.

I think it is fair to state, with my limited knowledge of corporate affairs, that 25 per cent, while it is not technical or legal control—because Suncor is very closely held in the United States, as I am sure the Leader of the Opposition knows—does give us a measure of input into determination of what it is doing. But in terms of, say, voting rights, the 25 per cent in itself would not give control.

Mr. Smith: By way of supplementary, may I ask the Premier if he would refer himself to the second part of my question when he rises again, namely, the return he anticipates and the interest costs on the money. Could he tell us where he is going to raise the money? Is he going to raise the money here in Canada and spend it in the United States, in apparent contravention of what Mr. MacEachen was asking the banks to do some time ago, or is he going to raise the money elsewhere? Can he tell us exactly what the financing arrangements are?

Hon. Mr. Davis: We are having a press conference at four o'clock, and I would invite the Liberal energy critic to be there, when much of this detail will be made public. Of the \$650 million, which represents the 25 per cent cost, my recollection is that 50 per cent is by way of notes back to, or paper back to, Suncor. The other \$325 million will come from Ontario and will be from moneys obtained here in Ontario.

In terms of the investment or the rate of return, it is not easy to give a guesstimate on the rate of return, because part of the judgement obviously is predicated on guesstimates with

respect to the price of crude, anticipation with respect to some of the offshore potential, and what ultimately may emerge in terms of what will be produced. The people who have been advising us, who are some of the most knowledgeable people in the industry, advise us that the return will be significant and, if things go well, it will be a very worthwhile investment for the taxpayers of the province.

2:40 p.m.

Admittedly, as there always are with arrangements of this kind, there are certain intangibles related to what may emerge in terms of price, although I am constantly reminded by members opposite, particularly their critics, that the price has only one way to go and that is up. We are relatively confident the rate of return will be justified.

Mr. Nixon: On a point of order, Mr. Speaker: The Premier is aware that any ministerial statement requires a compendium of information. With a statement of this importance it is obvious the information asked for should be tabled. Does the Premier have such a compendium as is required under the rules?

Hon. Mr. Davis: Mr. Speaker, I am not sure a statement per se requires a compendium, but we will certainly make sure any information that is available for the press at four o'clock will be available.

Some hon. members: What about us?

Hon. Mr. Davis: We will get that for the members as well.

Mr. Cassidy: A supplementary question, Mr. Speaker: I trust the Premier will be tearing up some of his speeches now that the government has acknowledged what we have said for a long time, that there is a constructive role for government in investing in the major industries of our country. We hope very much the government will take this approach with respect to the natural resources of Ontario as well.

To complement this step of taking ownership of a major oil company, is the government now prepared to institute a warm-up-Ontario program that will ensure we have real conservation and save as much energy within Ontario as we will produce through Suncor now that Ontario has a stake in it?

Hon. Mr. Davis: Mr. Speaker, I think it is fair to state that this government, as well as other significant utilities here in Ontario—including that very significant energy producer called Ontario Hydro, which the member so enthusias-

tically supports, as does the member for York South (Mr. MacDonald)—has introduced some significant energy conservation programs; in fact, some were so successful that some members opposite were complaining about them.

I can recall some observations made about those excellent TV commercials that were instituted in the name of energy conservation, which some members of the House thought were not totally appropriate. This government is very energy-conservation minded. Its programs are directed that way and that will continue.

Mr. J. A. Reed: A supplementary question, Mr. Speaker: I wonder if the Premier could tell us if the \$650 million is a true reflection of the Suncor assets that are located in Ontario? Could he tell us how much Ontario-produced oil Suncor controls?

Hon. Mr. Davis: Mr. Speaker, surely of all members opposite, the expert in energy, the member for Halton-Burlington, knows that one of the few problems we have in Ontario is the lack of large supplies of crude oil. We have some limited amounts of natural gas but, unfortunately at this time—who knows what may be found in Hudson Bay or wherever—crude oil is not in abundance yet in this province that we know of.

Quite obviously Suncor, and this is true of all the major companies in the business, has its prime producing areas in some of our sister provinces, although I should point out that Suncor has a fairly significant facility in the Chemical Valley just outside Sarnia. I had better not offend the Minister of Agriculture and Food (Mr. Henderson), but a part of it may be shared with the city of Sarnia. I think it is fair to state that any involvement of a meaningful nature by the public of this province in the energy field in oil, and probably in gas, means that it will be in other parts of this country.

Mr. Speaker: New question.

Mr. Peterson: On a point of order, Mr. Speaker: With a statement of this significance, with no information given to this House, as was brought out by the House leader of this party, surely we have the right to question the first minister on this matter.

Mr. Speaker: The members do indeed. However, I am not going to debate it since I am not allowed to debate it.

ACID RAIN

Mr. Smith: Mr. Speaker, I have a question for the Minister of the Environment. I assume he

will recall the exchange last summer—actually in May 1980—between his predecessor and me in which his predecessor pretended to be tough with Inco. When I demanded that he insist on a new furnace and a limit of under 1,000 tons by 1985, I was told not to be ridiculous.

In view of the fact that he undoubtedly remembers that, can the minister explain why this secret report which was leaked to me in the last few days, an exhaustive and complete report prepared for his ministry and entitled Nickel Market Conditions and Sulphur Dioxide Control and Inco Limited, has been sitting on his desk for over a year? Why has this report not been acted upon and why has it been kept a secret when it states plainly that Inco could and should clean up to 750 to 800 tons a day by 1985 by the installation of a new furnace?

Hon. Mr. Norton: First of all, Mr. Speaker, I must say I do not recall the specific exchange—I am sure it took place; I am not questioning that—nor do I recall offhand from the member's reference having seen that specific report. I think, though, in view of the action we have taken, which my predecessor initiated with Inco in terms of the control orders, that he is unjustified in suggesting that no action has been taken or that it has been too soft.

I think if the member checks with his federal colleagues he will realize we have established a federal-provincial group, which is looking at the situation in Inco to determine where we should go once the company has complied with the existing order, which will be next year. As I understand it, one of the problems is that the new technology has to be developed as the improvement takes place. In fact, Inco is working now on the technology to achieve next year's standard. I am optimistic, on the basis of discussions I have had with them, that they will achieve that and that they know it is not the end, that there will be further steps following that. What we are now trying to determine through the work of the federal-provincial task force is what an appropriate next step would be in terms of available technology.

Mr. Smith: By way of supplementary, Mr. Speaker, given the fact that in this report, Still Waters: The Chilling Reality of Acid Rain, signed by members of all three parties of the federal House who have studied the matter exhaustively, they say the subcommittee recommends that the Inco Limited smelter at Copper Cliff be compelled to reduce its sulphur

dioxide emissions to 750 tons per day and that this level be attained within five years; given that that is what I said should be done and what Mr. Parrott said was impossible, and he left them at their 2,000 or 1,950 limit; and given this secret report, which the minister has now hidden for over a year, sitting on his desk and his predecessor's desk, which says that it could be done, that it should be done and that much of the technology was available in 1953, at least in the copper refinery, now will the minister finally not continue to open us to criticism from the Americans, who could poke holes in the arguments we made in Washington, and finally clean up our own act here so that we have some authority when we ask the Americans to do the same?

Hon. Mr. Norton: Mr. Speaker, if the Leader of the Opposition knows precisely where that report is on my desk I wish he would tell me. I must say I do not believe it is or ever has been on my desk.

I think the member seriously underestimates the credibility of the arguments we have been making with the Americans. If he feels we are being less than vociferous in the pursuit of the abatement of sulphur dioxide in this province, I would invite the Americans and any other neighbouring jurisdiction to be as lax as we are being, because we are making progress and we are achieving results. That is more than most of them can say.

If the member wants to quote from the Still Waters report, the federal parliamentary committee report, in terms of its general thrust I certainly support what it is saying about the need for further abatement. I have never taken exception to that kind of statement. Where that report has fallen seriously short is that it has simply failed to take into consideration the measures that have been taken in this country, and it does not give appropriate credit either to the Ontario government or to any other level of government in this country.

2:50 p.m.

Mr. Smith: It's a scathing indictment of Ontario from cover to cover.

Hon. Mr. Norton: If the member reads it carefully he can say it is a scathing indictment of everybody, in simply saying that more has to be done; sure it does. All I am saying is that we are the one jurisdiction that is doing something about it. I have never said there is not more to be done, and as soon as the technology is available, it will be required.

Mr. Laughren: Supplementary, Mr. Speaker: In view of the minister's statement that he does not believe the technology is at present available to get the emissions down to the levels recommended in the Still Waters report, does that mean he has not been informed by officials within his own ministry of the 1975 internal Inco report that indicated that for \$300 million they could get down to 1,500 tons a day from a level of something over 3,000 tons a day?

Is the minister not aware of that internal document which has now been substantiated by this federal task force report? If not, why has the minister not inquired of his officials? If he does know about it, why has he not put the pressure on Inco to get their emissions down to a level they admitted they could get down to? Then they decided to withdraw it because they said it was too expensive.

Is the minister aware of that internal report? Is he absolutely certain the technology is not now available to get down to the level recommended by the task force report?

Hon. Mr. Norton: Mr. Speaker, I have not seen any internal document from Inco. I can assure the honourable member that—

Interjections.

Hon. Mr. Norton: I have not seen this report. Maybe the members opposite have. If they have, they have to ask themselves whether or not it said in the report that the technology was at present available.

At one time, as the members know, there was an order that required reduction to 750 tons. That was subsequently altered because of the fact that technology did not exist. On the basis of the best information I have available to me now, I do not believe the technology exists to reduce it to 750 tons by 1985 at this time.

Mr. Speaker: Order. Final supplementary, the Leader of the Opposition.

Mr. Smith: How can the minister say that, on the basis of information available to him, he does not believe the technology exists, when he has had this specific report from October 1980 by Brian Felske and Associates Limited, which states that the flash-furnace technology most certainly does exist and admits that Inco wants to try a different technology, the electric furnace, to see if it might be even better, but that under neither circumstance should the company be permitted to go beyond 1985 in continuing to pollute at the present or even the slightly improved level of which he is so proud? In either circumstance, the report says—and I

am coming to a close, Mr. Speaker—that Inco could and should clean up by 1985 down to 750 tons or so. Why is this report still secret? Why does the minister continue to say they are doing all they can?

Hon. Mr. Norton: Mr. Speaker, if the report is secret, it has been up to this point secret for me as well. I have not seen it. But I do not believe—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Norton: The one thing that the members ought to try to understand—I will see if I can get a copy of that immediately and have a look at it—is I think members have to make a distinction between the recommendation of a consultant and the development of the necessary technology. Can the members say with certainty before this House that they know of such technology that is already developed, in place, in operation and working effectively?

Interjections.

Hon. Mr. Norton: In which case, then, the members have to be careful in making those kinds of assumptions.

INTEREST RATES

Mr Cassidy: Mr. Speaker, I have a new question for the Treasurer with regard to the impact of high interest rates on the 200,000 people who will be renegotiating their mortgages in Ontario over the course of the next year. Given that those people will be facing an interest rate which will be almost double what they are paying on their homes now, and given the number of foreclosures and the number of people being forced to put their homes on the market because they can no longer afford to stay in them, does the Treasurer not agree that it is now time for the federal government to bring the interest rates in Canada down? What actions will Ontario take to put pressure on the federal government to give us a made-in-Canada interest rate policy that will spare the home owners facing renegotiated mortgages?

Hon. F. S. Miller: Mr. Speaker, do I agree that the government of Canada should take steps to bring the interest rates down? Yes, I do. In fact, just a week or so ago in Ottawa at a finance ministers' meeting, I made strong representations to the Minister of Finance for Canada to take measures to do so. I hope and trust he listened to the cumulative advice of all the ministers of finance that day.

Mr. Cassidy: Supplementary, Mr. Speaker:

The Treasurer hardly seems moved to passion or concern by the fact that there are many families across the province right now who are losing their homes. This is not an academic question, but something that is a reality for many people in Ottawa, Toronto, Windsor and every corner of the province.

Would the Treasurer be prepared to institute in Ontario now a moratorium that would require that any mortgage coming up this fall for renewal be renegotiated for a period of at least six months, or maybe a year, at the present rate? Would the government be prepared to bring that measure in, to enlist on the side of getting a made-in-Canada interest rate policy the banks and all the financial institutions who are, right now, profiting from the high mortgage rates rather than contributing to bringing them down?

Hon. F. S. Miller: Mr. Speaker, I question whether any of us, except those who are lucky enough to have deposits on account, are profiting from high interest rates in our economy. They are affecting the economy in many areas, not just homes. That is why it is of vital interest to all of us to make sure the governments of Canada and the provinces take steps to bring down interest rates. They are higher than they need to be. There can be, to a degree, a made-in-Canada rate. I am afraid we may have a made-in-Canada rate higher than it should be, because of lack of confidence in the federal government.

Mr. Smith: By way of supplementary, Mr. Speaker, since the advice given by the Treasurer to the federal government consisted essentially of, "Do as I say and not as I have just done myself," in telling them not to raise taxes and not to increase the deficit—all the things he himself did at record levels only a few months ago—can the Treasurer tell us whether he is prepared to take some provincial responsibility in this regard and bring in some relief, as the Premier (Mr. Davis) promised in 1975 he was prepared to do when interest rates were comparatively high then, and as other provinces have done?

Is the Treasurer prepared to do something to keep the promises made about the Ontario economy and help those in small businesses, homes and farms who are affected by high interest rates, or will the Treasurer just pass the buck to Ottawa totally?

Hon. F. S. Miller: Mr. Speaker, rather than agree with the member's statement that I have asked people to do as I say and not as I do, may I

suggest to him that, at the conference in Ottawa a week or so ago, the one point made by finance ministers from other provinces was that, of the 10 provinces in Canada, Ontario provides the best example of how to tackle the major problems of growth in the size of government, growth in the spending of government and therefore contributions to inflation.

Mr. Philip: Final supplementary, Mr. Speaker: Would the minister not agree that the Province of Ontario Savings Office, which was set up by the former government in 1921, falls under provincial jurisdiction, and that it now has savings of about \$650 million? Why has this government not shown the same kind of leadership as the Alberta government in expanding that office, and in making loans available to ordinary people and businessmen who need them, through this body, which is under provincial jurisdiction?

Hon. F. S. Miller: Would I agree that it is under provincial jurisdiction? Of course, but it is strictly a deposit agency, not a lending agency. It has been that for some time, and I believe it should stay that way.

UNEMPLOYMENT

Mr. Cassidy: Mr. Speaker, I have a new question for the Treasurer, if I can recall his attention to the statement of the government on interest rates of about a year ago. It was said quite clearly that, even though interest rates then were at 11.8 per cent, high interest rates would reduce economic growth, would lower job creation and would raise the unemployment rate. Now that we have had in September the biggest increase in unemployment for years, an increase to almost 300,000 people unemployed in Ontario, would the Treasurer say what Ontario specifically is going to do in order to combat the unemployment, which arises in part because of the high interest rates? What does this province intend to do to get our workers back on the job?

3 p.m.

Hon. F. S. Miller: Mr. Speaker, I am not very happy about the figures in September, nor should any of us be, but in that month the number of people employed in Ontario also increased, something the member tends to forget. It went up by 2,000 people in September, even though the overall Canadian figures were at one of their worst levels. There were about 127,000 more people at work in Ontario at the

end of September than there were a year ago. Ontario has been leading in the growth of jobs in this country.

Mr. Cassidy: Supplementary: Would the Treasurer explain why he changed his views so radically when he went to Ottawa and spoke at the finance ministers' conference a couple of weeks ago? Why is it that back in the spring the Treasurer was saying unequivocally that he thought interest rates in the country should be brought down, but in the fall the Treasurer went to Ottawa and said we should cut taxes on the rich, and we should cut government spending and therefore cut government services to people on modest incomes and people who were poor?

Why, in other words, did the Treasurer go to Ottawa and advocate for Canada a policy that is borrowed from Ronald Reagan in Washington and which involves continuation of the high interest rates that are wreaking such havoc on their economy and on ours?

Hon. F. S. Miller: I do not believe I did.

Mr. Cassidy: Supplementary: It is quite clear from the minister's statement that the minister has been entranced by some economic pundits who have been advising the Republican administration in the United States. This has reached the point where he now believes that if we soak the poor and spare the rich, if we continue the kinds of policies being followed there, which include monetary restriction and high interest rates, that is somehow going to bail us out in this country; and where he now believes that rather than bringing interest rates down now—

Mr. Speaker: Does the member have a question?

Mr. Cassidy: —we should bring them down some time in the distant future when all these other things begin to take effect.

Mr. Speaker: Question.

Mr. Cassidy: Would the Treasurer explain why he has changed his stance since then and how we can get lower interest rates in Ontario if even the Treasurer of Ontario is not prepared to fight for them?

Hon. F. S. Miller: I do not know how to explain it to the member if I have not made him believe I am fighting for lower interest rates and doing so through sound—

Mr. Foulds: You have not done one single thing.

Mr. Speaker: Order.

Hon. F. S. Miller: The member will have his forum and his day and good luck.

Mr. Speaker, we suggested the federal government should carefully look at the growth of a number of the costs of its own direct spending. We in no way suggested that assistance programs to people in need, or in fact transfers to the provinces, should be cut.

Some people have said that was inconsistent; it was not. If one analyses the transfer payments and the growth of spending at the federal level, the transfer payments for health and postsecondary education have been among the lower percentages in growth. We pointed out they are letting their civil service grow unnecessarily quickly and not taking the tough measures we have done.

The interest rates in this country will drop only when Canadians and other investors have enough confidence in this country and in government at the federal level to leave their money in the country.

NIAGARA RIVER POLLUTION

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. Is the minister aware of the frightening report called *The Ravaged River*, released yesterday by the New York State Public Interest Research Group? Does he know the most dangerous threat to the Niagara River is the Hyde Park dump in the upper Niagara above the falls?

The cleanup settlement of that site was a subject of nine days of judicial hearings in Buffalo very recently. This Environment ministry did not provide financial, technical or any other kind of assistance to Pollution Probe. It did not question the settlement on the record or involve itself in any way at the hearings, other than to send Mr. Ray Stewart, who claimed it was a waste of time to attend those hearings.

Given that the proposed settlement will not stop dioxin, one of the most deadly chemicals known to man, from leaching into the river, and given that the estimated half pound of dioxin could be joined by some 2,000 pounds resting in that dump site, why did the ministry not oppose the settlement and actively participate in those hearings, as I asked it to do on many occasions, to protect the integrity of the Niagara River?

Hon. Mr. Norton: Mr. Speaker, to answer the first part of the question: I believe the member for Niagara Falls described it as a frightening report that was released within the last couple of days. I believe the member said yesterday, but I am not sure of the precise timing of that. I am aware of it through the media. We have been trying to get a copy of that report ever since we heard about it. We have not yet been successful.

We have been in touch with the regulatory agencies in the United States, who also claim they have not received a copy of that report. When I get a copy, I will be in a better position to comment upon the accuracy of the report and whether any new information is contained in it or whether it is simply a compilation of existing public information. I do not know that.

As to the allegations that there have been lies and a coverup on the part of American officials, all I can say at this time is that I have no indication that there has been any such withholding of information.

I look forward to getting a copy of the report. I would have thought the agency, if it were as deeply concerned as I am sure it is, would have taken the trouble of trying to ensure copies were available for those of us on this side of the river, as well as those on the other side, who have some responsibility in terms of ensuring the water quality in the Niagara River is maintained at a high level.

With regard to the Hyde Park site, we have had staff present throughout those hearings. The decision was taken not to intervene because frankly, on a technical basis, we felt we did not have any substantial grounds for making a formal intervention. However, as I say, we have been monitoring it.

It is true we did not provide funding to any intervention group, but we have offered technical assistance and have done so, I understand from my staff, on more than one occasion. To date, to the best of my knowledge, the offer of technical assistance has not been taken up by the participating agencies who are intervening. That offer still stands, and we have staff available to assist them if they wish to take advantage of the expertise of our staff.

Mr. Kerrio: I want to raise a question with the minister as it relates to the indecision to attend those hearings as it related to the settlement.

I wonder if the minister is aware of the fact that when the settlement was made, the minister's director—that was Grant Mills—did not do an independent assessment of the settlement. Instead, he called John Spagnoli of the New York Department of Environmental Conservation, who was one of the co-authors of the settlement with Hooker and the U.S. Environmental Protection Agency and who, of course, told Mills there was nothing wrong with the settlement. In essence, the ministry was an accomplice to an activity that could have severe repercussions for millions of people.

Furthermore, will the minister not agree that,

based on his lack of opposition to the Hyde Park dump settlement and the SCA pipeline, his ministry has been almost criminally negligent in its duties in providing for the protection of the people of Ontario and the protection of that river?

Hon. Mr. Norton: If the honourable member would like to reflect upon that last statement for a moment, I think he at least would be willing to retract the allegation or suggestion that the conduct of my ministry has been almost criminally negligent. That is just nonsense.

We have acted throughout this whole difficult situation very responsibly. In fact, in terms of the staff recommendations that the member referred to, I am certain there was communication seeking information and details on the proposed settlement between our staff and the staff of the Department of Environmental Conservation in New York state. I can assure the member that the opinions that came to me were the opinions of my staff as a result of an evaluation of that proposal.

Mr. Kerrio: They are the culprits.

Hon. Mr. Norton: No, they are not culprits at all. One obviously seeks information where the information is available. I think my staff has acted very responsibly. If the member has any hard information to the contrary, then he should share it with me. Until I have seen it, I maintain my position that the staff have acted responsibly, and I will continue to do so.

3:10 p.m.

I might also add, the member may or may not be aware of the fact that in the near future—the precise date has not yet been established, although the agenda is being prepared—there will be a meeting with the Premier (Mr. Davis), Governor Carey, myself and Commissioner Robert Flacke from New York state dealing with the situation in the Niagara River and the Niagara Frontier. It will also deal with some of our joint efforts in acid rain. I can assure the member that on some of those things we have repeatedly gone after them about, for example, the sewage treatment plant in Niagara Falls, New York, which has not worked for the last three years, we will press them once again.

I cannot confirm that information, because I have not been given a copy of the report and I cannot get one yet, but I hope to have one before the end of the day. It is one thing to take that information and sensationalize it—I am not trying to minimize the seriousness of the situation if any of the allegations in that report are

correct—but I have no grounds on which to assume that there has been any information withheld from us or that anyone on our side has acted irresponsibly.

Mr. Charlton: Mr. Speaker, I would like to pick up on a comment the minister made in his initial answer to the member for Niagara Falls. He said, “to those of us who have some responsibility for protecting.” It seems to me, and it seems fairly clear to most people in the province, that responsibility means action.

Does the minister think this latest sensational report should not be the kind of thing that causes paranoia? Is it not his opinion that the information that has been available all along in the case of Hyde Park, about the 80,000 tons of extremely toxic materials in that dump, presented a very serious danger to the Niagara River and to Canada, to Ontario and to Lake Ontario, and that he has a responsibility on behalf of the people of the province to intervene in that process, to protect the interests of Ontario?

Hon. Mr. Norton: Mr. Speaker, I agree that responsibility means action, and this government has taken action in many instances. I understand that every polluter on the Ontario side is now meeting standards under control orders that have given them specific targets. We have made very substantial progress and have discharged our responsibility within the province.

As far as the Hyde Park site is concerned, one has to be very careful in terms of jumping to the conclusion that the proposed alternative of simply moving the waste from that site is the best answer. I am not in the position to make that judgement as an expert; however, I think one must be cautioned by the risks involved in trying to move it. It may be much more hazardous than finding an appropriate way to contain it on that site, and I understand that is what these hearings are trying to come to grips with.

CHRYSLER LAYOFFS

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour. I am sure the minister is aware of the 1,500 layoffs that Chrysler Corporation announced last Thursday, October 8, at 3 p.m. I would like to know the minister's opinion of a corporation that lays off 1,500 workers at three o'clock and gives them less than 24 hours' notice about a mass layoff to that extent. Does the minister condone that kind of action on the part of a corporation

that received \$150 million in loan guarantees from the federal government and a \$10-million grant from this government to build a research and development centre in Windsor?

Hon. Mr. Elgie: Mr. Speaker, first of all, to clarify the facts, this government did not give a grant of \$10 million and it does not take effect until, I believe, 1982 or 1983—the Minister of Industry and Tourism (Mr. Grossman) can correct me—by which time it should be established whether the automotive industry can get out of the difficult time it is in. That is not a surprise to the member for Windsor-Riverside. He knows very well that industry and that particular company are under a great deal of stress at the present time.

Having said that, let us understand that nobody wants those workers to be laid off, certainly not I. The member knows very well that I have worked very hard in the area of layoffs, protection and severance pay, but those particular groups of workers have received temporary layoff notice within the provisions of the Employment Standards Act; so the action taken by the company was perfectly proper, within the legal framework.

Mr. Cooke: Some Minister of Labour we have! We might as well call him the sub-Minister of Industry and Tourism, because all he defends are the corporations in this province.

Is the minister aware that, of the 1,500 who were laid off, 700 individuals are one to two weeks short of being eligible to go back on the unemployment insurance rolls and, because of that short period of time that they need to requalify, they are going to have to go directly back on the welfare rolls in the city of Windsor? In fact, because of the silly welfare rules we have in this province—thanks to the minister's colleague sitting to his left—they won't even qualify for welfare in October since they have had an income in October.

Further, is the minister prepared to amend the Employment Standards Act so that adequate notice is given for mass layoffs like this that occur throughout the province of Ontario?

Hon. Mr. Elgie: First, with regard to the initial ad hoc remark, let there be no doubt that this minister has always interested himself very efficiently and I hope has endeavoured effectively to represent the legitimate interests of the labour movement and labour people in this province. There is no doubt about that; so the honourable member can stop that little bit of ad hockery.

Second, as the member knows quite well, the federal government has designated certain areas in this country as areas of special need because of their higher unemployment, and Windsor is such a region. It is my understanding that the federal government is now trying to determine exactly how many of those employees are short by the two weeks to determine whether they would be eligible for assistance under the special program for that designated area.

Mr. Wrye: Mr. Speaker, given the fact that this is not the first instance of this company giving such short notice for layoffs of this magnitude, will the minister indicate to the company and to companies in Ontario in general, and amend the Labour Standards Act if such amendments are needed, that in layoffs of this magnitude—of more than 1,200 and many as high as 1,500 workers—notification in these cases should be much longer than an inadequate 26 hours?

Hon. Mr. Elgie: Mr. Speaker, we had extensive debate in this Legislature some time ago about the issue of layoff notices. It was our opinion as a government that the layoff notices provided in our legislation are comparable to or better than any other province or any other state. Let us not talk about catching up with other places. We already are right out in front.

Let us also understand that the workers who have been laid off are on temporary layoff. If in the future that becomes a permanent layoff or an indefinite layoff, then the honourable member knows full well they will become eligible for termination pay.

MINISTRY-TEACHERS' CONSULTATIONS

Mr. Sweeney: Mr. Speaker, a question to the Premier: My question deals with the resolution passed unanimously by the Ontario Teachers' Federation on August 27. It refers to the deteriorating consultative mechanism between the Minister of Education (Miss Stephenson) and themselves. Did the Premier know about this deterioration? What has he done about it since that resolution was passed to him, and what direction has he given to the minister to repair this breach?

Hon. Mr. Davis: Mr. Speaker, having spent a limited amount of time in that ministry myself—

Mr. Smith: Time enough to do harm.

Mr. Nixon: You ruined the system.

Hon. Mr. Davis: I contributed more to the system than almost anybody over there.

Mr. Smith: What about the Hall-Dennis report?.

3:20 p.m.

Hon. Mr. Davis: How many has the member contributed to the system?

Interjections.

Hon. Mr. Davis: I will boast about having five kids any time.

Mr. Speaker: Order. Please address your remarks to the question, Premier.

Hon. Mr. Davis: Mr. Speaker, I am aware of some concern expressed by some members of the federation. I have to say—

Mr. Sweeney: A unanimous resolution.

Hon. Mr. Davis: The honourable member has unanimous positions from his caucus that I know five minutes later are less than unanimous. Who is trying to kid who? Is that correct grammatically? The member is a former superintendent. I remember when he used to extol the virtues of the ministry during the Hall-Dennis period. I remember it so vividly. I may remind him of that during a certain convention.

Interjections.

Hon. Mr. Davis: Oh, I have a long memory, I would say to the honourable member.

I can only say that in my experience the present Minister of Education has a very excellent relationship with the teaching profession, the trustees, the taxpayers and, most important, the students. She discharges her responsibilities with great sensitivity, great talent and great judgement; she is an excellent Minister of Education, and I am sure that is going to continue for many years yet to come.

Mr. Sweeney: Is the Premier not aware of the fact that in September 1979 the teachers of this province censured the minister in a like manner?

Second, is the Premier not aware of the fact that the minister herself said it would be immoral for her to comment on the proposals in the secondary education review program commission report until there had been consultation?

Is the Premier further not aware of the fact that in February 1981, when the continuing education third report came out, no provision was made for consultation with the public, and there was a great deal of reaction to that?

Surely the Premier, as the first minister, should be conscious of the fact that some change has to be made here.

Hon. Mr. Davis: The Minister of Education just leaned across and whispered to me that most of what the honourable member has said was less than factually correct. I could use the rural term that she used, but I shall not. I do not want to offend the honourable member.

Mr. Sweeney: The Premier is on weak ground.

Hon. Mr. Davis: I am not on weak ground at all. As I say, I can just quote back to the member his points of view and positions on educational matters over the last 15 years, which are going to embarrass him at that convention like nothing else.

Mr. Sweeney: We remember when you were the minister.

Hon. Mr. Davis: I remember when the member was a superintendent.

Hon. Miss Stephenson: Mr. Speaker, on a point of personal privilege: I should like the honourable member to know, at least to state publicly and to understand, that what he has been mouthing is a bunch of pious, unbased platitudes that have been developed in other areas. I respect his integrity, and I would anticipate that he would not repeat such untruths within this House.

If you are going to ask me to withdraw that word, Mr. Speaker, then I shall do so if you insist; but they were untruths, which were reported in a newspaper. The amount of consultation with the Ontario Teachers' Federation amounts to several thousand hours per year. There are mechanisms for consultation on every single major report that is developed, there are mechanisms for consultation on a day-to-day basis at the staff level and there are mechanisms for consultation on a regular basis with the minister.

Simply to mouth the kinds of things the member was saying is less than charitable on his part.

Mr. Sweeney: Mr. Speaker, I have to respond to that point.

Mr. Speaker: There is nothing to respond to, really.

Mr. Sweeney: The minister raised a point of privilege. I have an opportunity to respond, surely, Mr. Speaker.

Mr. Speaker: A short response, then, please.

An hon. member: The untruths only.

Mr. Sweeney: Only the untruths?

An hon. member: Just the untruths.

Mr. Sweeney: Okay. In September 1979, the

board of governors of the Ontario Teachers' Federation voted to censure the Minister of Education. Some called for her resignation.

The then president of OTF reported, "I really regret that she has done this on the public platform after she accepted and then rejected our invitation to speak to us."

David Hughes, president of the Ontario Secondary School Teachers' Federation, said on August 28: "I have become very tired of dealing with the minister when the only way we can get her attention is the OTF equivalent of hitting her over the head with a two by four."

An hon. member: Even then it does not hurt.

Mr. Sweeney: George Meek, president of OTF, is "sick and tired of being surprised by the minister's actions."

Margaret Wilson, the past president of OSSTF, describes the minister as "the captain who has not abandoned the ship but indeed she has never come on board."

Those are not my words; they are theirs. They are the words of the OTF. Is it yes or no?

Mr. Speaker: Order. Nobody's privileges have been abused.

NURSES' ARBITRATION

Mr. McClellan: Mr. Speaker, I have a question of the Minister of Health. In view of the fact that nurses in Ontario are denied free collective bargaining rights by the Hospital Labour Disputes Arbitration Act, which forbids them the right to strike, can the minister explain to us why he seems to have turned the arbitration procedures under that act into a pure farce by permitting the board of arbitration to stall, stall and stall since March 17, 1981, without bringing in a report, while nurses in Ontario are being paid at 1979 wage rates?

Hon. Mr. Timbrell: Mr. Speaker, if the member will read the first part of the act, he will see that the Hospital Labour Disputes Arbitration Act is not a piece of legislation for which I am responsible. It comes under the Minister of Labour (Mr. Elgie). Perhaps he would like to redirect his question.

Mr. McClellan: I will redirect it to the Minister of Labour, since the Minister of Health wants to take a bye on it.

Hon. Mr. Elgie: Mr. Speaker, I trust that the member for Bellwoods knows there were some complications with that arbitration process. He knows there were well over 100 briefs. They were lengthy briefs. He knows that during the course of it all both of the sides' people had to

retire and new people had to be obtained; so it was indeed a very arduous and lengthy process, for which I am sure everyone expresses a great deal of regret.

As the honourable member knows, many hospitals have indeed granted some interim wage increases to help overcome this very difficult time. However, I am advised that the arbitration award will be brought down before the end of this month.

Mr. McClellan: I really would like an explanation from the government as to why they think they can have it both ways, on the one hand denying workers the right to strike and, on the other hand, turning the arbitration procedures under the legislation into a piece of nonsense.

May I ask the minister specifically why he did not invoke section 12 of the act—at least the section 12 of the act that I possess—which states, "In the case of an unreasonable delay the minister may, after consulting the parties and the board, issue whatever orders he considers necessary in the circumstances to ensure that a decision will be rendered without delay"? Surely the minister will agree that seven months is intolerable.

Hon. Mr. Elgie: I hope the member will agree that this is a very unusual situation. I tried to point out some of the unusual circumstances. We have been in touch with the arbitrator, the chairman and the two sides, and they have had difficulty in getting together themselves to review their opinions on it. But I am now advised that this report will be forthcoming. I assure the member that I have endeavoured to keep in touch with the process, I have tried to appreciate some of the reasons for the delay and I ask him to understand that this is a very unusual event.

Mr. Ruston: Supplementary, Mr. Speaker: With this long delay in the nurses' arbitration and since his money is going to be advanced to the hospitals eventually, is there not any way the minister could tell the hospitals that they can give the nurses a partial increase for the time being until such time as an arbitration board hearing is finished?

Hon. Mr. Elgie: Mr. Speaker, as I mentioned, many hospitals have, on their own, granted certain interim increases. I am sure, if the honourable member wishes to speak to his own hospital board to discuss this, that is an avenue

open to him. Otherwise, he might question the Minister of Health, who is, as he knows, directly responsible for those events.

3:30 p.m.

ELECTION SPENDING

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs concerning the Election Finances Reform Act.

In view of the fact that the Progressive Conservative Party of Ontario spent, I believe, more than twice as much as the two opposition parties combined on a provincial basis and consistently spends more money than the opposition candidates on a riding-by-riding basis, will the minister give assurance to this House that he will introduce legislation designed further to limit campaign expenditures so that the democratic process in this province cannot be further subverted by money?

Hon. Mr. Wells: Mr. Speaker, it is my understanding that the present Election Finances Reform Act does provide for limits on expenditures in those important areas where limits are necessary. If and when a bill comes before this House, there will be plenty of time to consider all the various aspects of campaign financing.

Mr. Bradley: Will the minister not agree that in a political jurisdiction the governing party already enjoys far too many advantages; for instance, the ability to spend government money for advertising, to make appointments and to give out money on a city-by-city basis? Does the minister not feel that, to overcome those advantages and make the system fairer, it would be wise to introduce the kind of legislation that would limit all aspects of campaign expenditures so that one minister cannot spend \$90,000 after raising more than \$100,000, which really makes the system unfair in this province?

Hon. Mr. Wells: Sitting over there, the member may feel that way. I think he would agree we have to campaign under the pressure of taking responsibility for all the actions, many times, of a number of governments. I certainly would not accept the member's statement that we operate under an advantage; we certainly do not in a campaign.

Mr. Martel: A supplementary question, Mr. Speaker: Will the minister tell us what other limitations there are that they are bound by, aside from the limitation on publicity, which I believe is \$1.3 million? How is it that 65 of the members over there spent at least \$40,000? What is happening to the democratic process when they have to buy their way back to power?

Hon. Mr. Wells: Mr. Speaker, I know my friend well enough to know that he really does not mean that anybody is buying his way back to power. The fact remains that we have a very fine act in this province. No individual in this province can contribute more than \$500 and basically no corporation can give more than about \$8,000 in total. There are a couple of reasons why this party is able to raise the kind of money it does.

Mr. Foulds: It's called patronage.

Hon. Mr. Wells: Will you be quiet and listen? Interjections.

Mr. Speaker: Order. Will you give the minister an opportunity to reply?

Hon. Mr. Wells: The reason this party is able to raise the money it can from all kinds of people—and believe me, I even have labour union people who donate to us—is the quality of the candidates we have and the policies of this government.

Interjections.

Mr. Speaker: Order. Order. New question, the member for York South.

ASSISTANCE TO FARMERS

Mr. MacDonald: Mr. Speaker, the Minister of Agriculture and Food no doubt is aware that Ontario and Prince Edward Island are the only provinces that do not provide any subsidies for the crushing interest rate burden farmers are suffering today, and PEI has a grant program to compensate for the lack of actual subsidization. In view of the Treasurer's (Mr. F. S. Miller) promises after the protest meeting last June that some \$100 million was going to be made available for agriculture—and he was considering a range of programs; six were mentioned in one news story—is the government considering that at least one of them might be belatedly a pickup on the subsidy for high interest rates for farmers? The government had it in its program before the election but washed it out last March 31.

Hon. Mr. Henderson: Mr. Speaker, there was no subsidy program in our election promises. If the honourable member would recall, I went before the Ontario Federation of Agriculture. He and the critic for the Liberals went on radio with me. It was definite that our party was not promising any subsidy whatsoever; that was quite clear.

Mr. MacDonald: In the government's program was at least \$25 million to subsidize high

interest rates to the farmers. They washed it out on March 31 when they had only spent \$5 million. Has the minister, despite his bulk, not got enough weight in the cabinet to be able to get the cabinet to spend money that has already been appropriated, and therefore do something like other provinces by way of assistance to the farm community?

Hon. Mr. Henderson: This honourable member has been in this House quite a number of years. If he could let his mind reach back halfway to the time he was first elected here, to 1969, he no doubt sat in his place—I know some of his colleagues were here that day—when the then Minister of Agriculture and Food made a major announcement. He announced that an agreement had been reached. The then Minister of Agriculture for the government of Canada had agreed that the federal government would be the lending institution for all agricultural projects in Canada.

ONTARIO ENERGY INVESTMENT

Mr. Foulds: Mr. Speaker, on a point of order: Would you ensure that the privileges of this House are kept up and rule 26(c) is enforced with regard to the Premier's (Mr. Davis) statement over the acquisition of shares in the oil company referred to this afternoon? Would you ensure that compendium is tabled in this House before the press conference at four o'clock, particularly in view of the massive reversal of government policy entailed since they sold their 10 per cent holding in Syncrude some time ago?

Mr. Speaker: I shall indeed be pleased to pass that message on to the Premier.

ACID RAIN

Mr. Laughren: Mr. Speaker, I have a point of privilege which I hope will correct the record. The Minister of the Environment (Mr. Norton), in responding to the questions on emissions from Inco at Sudbury, replied that he did not know if the technology was available to lower the limits. I would like to read into the record a letter from the senior vice-president of Inco to the Ministry of the Environment, if I might, in order to set the record straight. It is to Mr. R. E. Moore, regional director of the northeastern region, Ministry of the Environment, dated September 26, 1975.

"Dear Mr. Moore:

"On May 23, 1975, we made a presentation to you regarding a proposed sulphur emission abatement program at Sudbury, written copies of which submissions were forwarded to you

with my letter of May 27. Our submission pointed out that the proposed project was not without technical, financial and economic risks. It also indicated that in order to achieve our proposed schedule we had already started engineering.

"Within the past few weeks, our engineering work, with the necessary corollary cost estimation, has revealed an increase in capital costs which indicates that our May estimate of \$200 million must be increased to at least \$300 million and considerably more if potentially necessary additions of ancillary equipment prove to be necessary.

"This situation obviously requires a complete reassessment of our position, since the economic and commercial feasibility of the proposed project has fundamentally changed. A program which is not economically and commercially feasible is in fact not technologically feasible.

3:40 p.m.

"Accordingly, and regretfully, we must ask that you defer any action on our proposal of last May until such time as we are able to provide you with a complete re-evaluation. I will be in touch with you in that regard just as promptly as possible, and also in regard to such alternative courses of action as there may be. It must be appreciated, as all the work we have done has demonstrated and each submission we have made has stressed, that there is no way the December 31, 1978, emission level could be attained other than by drastic cutback in our Sudbury operations.

"Yours sincerely, John McCreedy."

The point being, at the end of the letter, that that letter was based on this submission, an Ontario Inco study, which indicates that for \$300 million the emission levels, which were then in excess of 3,000 tons a day, could be lowered to 1,500 tons a day by December 1979. It should come as no surprise to the minister, or the officials in his ministry, that the federal task force would now be suggesting the technology is there to get down to 750 tons per day.

There is no question whatsoever that the technology is available. What is at question, however, is whether the Minister of the Environment is being informed by officials within his ministry as to just what is possible, in terms of reducing the emissions from the superstack at Sudbury. It is important that the record be corrected in that regard.

HANSARD INTERJECTIONS

Mr. Mancini: On a point of privilege, Mr. Speaker: You may be aware that over the past year and a half I have made appearances before the members' services committee to discuss the matter of Hansard and the Hansard recording of the proceedings of the Legislature. I have raised, at those meetings, the view that all comments that are made in the Legislature, which are able to be taken down accurately by the interjectionists who sit on the floor of the House, should be included as part of the Hansard record.

It has been brought to the attention of the members' services committee by the director of Hansard that he has, in the past, issued instructions to his editors that they delete as many interjections as possible, thereby not making the proceedings of the House entirely accurate.

You must surely be aware, having sat in this House for a good number of years, that an interjection could be just as important as a question, or just as important as a lengthy speech, depending on what the interjection is. I want to say to you that I do not believe it is right or proper for the proceedings of this House to be edited by a civil servant after he has, by himself, decided that the Hansard should look like a magazine instead of looking as it should, with all the interjections included.

I wish to say, having tried to raise this matter in the members' services committee and having tried to get it cleared up there, and having been unable to do so, that I appeal to you to protect me, as a back-bench member in this House, and to protect all members of this House.

How are we able to give this responsibility to a civil servant, knowing full well that the Premier (Mr. Davis) himself, or one of the cabinet ministers, or the leader of a particular party, may make an interjection that he feels should not be recorded after it has been duly taken down by the interjectionist? Why should we leave this vital responsibility up to a civil servant?

My final question is, why do we have the interjectionists on the floor at all, if it is the policy of Hansard and its director practically to eliminate the interjections? I appeal to you to instruct the Hansard director to ensure that the interjections, which are able to be taken down by the people here and which are able to be recorded, appear in the Hansard reports.

Mr. Speaker: Thank you very much. I must

point out to you and to all members that I am guided by standing orders. Under standing orders, all interjections are out of order.

Mr. Mancini: Mr. Speaker, again on that point of privilege, why then in the past, for all these many years, have interjections been recorded? If anyone has the time or wishes to do so, he can certainly go through the records of Hansard, as far back as I have looked anyway, which covers many years. I have gone through some of the Hansards to see just how much this has changed in the past 18 months because of the new directions by the director of Hansard.

I say to you, Mr. Speaker, why have they been there all these years and why do some interjections still appear to be recorded in Hansard if they are entirely out of order? My point is that some interjections are recorded, others are not. This is entirely unfair because we leave this matter in the hands of a civil servant. We leave this matter in the hands of a bureaucrat to decide how Hansard shall look. In my view this is completely not in accordance with what is going on in the House, since many of the interjections we heard today had an influence on what took place today.

Mr. Speaker: Order, please. Order. I just want to say that I will be pleased to take a look at it. I just wanted to make the point that under our standing orders, interjections are out of order and that is what we are guided by.

Mr. Martel: Might I ask the Speaker what that has to do with recording what is going on in the House? There are occasions when things are definitely out of order and they are ruled out of order by the Speaker, yet they appear. What my friend is saying is that what is being stated in this House should appear in Hansard.

As the Speaker knows, it was about a year ago when I objected strenuously to the decision of the government to take out of the Legislature what we called the garbage track. At times there are statements made that are pretty cutting. It seems to me that garbage track would serve a purpose in preventing some of those comments from being made, because people who do not want them in print would not say them. I think if anything was going to be done, it would be to make sure that the garbage track was brought back and that everything stated in this Legislature should be in Hansard, because that is what this House is all about. That is where it is recorded.

Mr. MacDonald: Mr. Speaker, I do not want to be repetitive here but I think there are two

points to be made. One, I think it is time we got into the real world. If our standing orders say that every interjection is out of order, it is time we changed the standing orders because that is nonsense. Every interjection is not out of order. If the interjection happens to be an interjection to the Premier, and if the interjections to his speeches were not put in, his speeches would be incoherent because half of his speeches are replies to the interjections all the time.

The honourable member's point is very valid. Who makes the choices as to what interjection is put in? I suggest we change the standing orders, join the real world and recognize that interjections, that repartee, are part of the whole exchange in public life in this day, and that we get back to putting the so-called garbage track on to the record.

Mr. Speaker: As I assured all members earlier, I will take a look at it and we will see what can be done, yes.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

Report adopted.

Ordered for committee of the whole House.

3:50 p.m.

MOTIONS

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that, notwithstanding standing order 63(d), Mr. McClellan and Ms. Bryden exchange positions in the order of precedence for private members' public business.

Motion agreed to.

REVISION OF BILLS

Hon. Mr. Wells moved that legislative counsel be instructed to revise and reprint the bills standing on the Order Paper, making such changes as are necessary to have reference to

the Revised Statutes of Ontario 1980, and that the bills as revised and reprinted be considered in place of the bills as now printed.

Motion agreed to.

SELECT COMMITTEE ON THE OMBUDSMAN

Hon. Mr. Wells moved that the select committee on the Ombudsman, in addition to its terms of reference dated July 2, 1981, be authorized to complete the work of its predecessor committee on the resolution passed by the House on May 29, 1980, namely:

"That this assembly request the select committee on the Ombudsman to consult with the United Nations Commission on Human Rights, Amnesty International and the International Commission of Jurists and others, if advisable, with a view to reporting to this assembly on ways in which this assembly may act to make its voice heard against political killings, imprisonment, terror and torture."

Motion agreed to.

ESTIMATES

Hon. Mr. Wells moved that the estimates of the various ministries and offices be deemed to have been referred to the committees of the House as outlined in his statement of June 23, 1981.

Motion agreed to.

INTRODUCTION OF BILLS

MILK AMENDMENT ACT

Hon. Mr. Henderson moved, seconded by Hon. Mr. Bernier, first reading of Bill 136, An Act to amend the Milk Act.

Motion agreed to.

Hon. Mr. Henderson: Mr. Speaker, the Milk Act requires the Ontario Milk Marketing Board to distribute to the producers moneys received from the sale of milk. The purpose of the bill is to amend the Milk Act to permit the Ontario Milk Marketing Board to distribute such moneys on the basis of the amount, content and grade of the milk supplied by the producer; the amount and kind of quota held by the producer, and the sales to the marketing board of the various classes of milk.

ONTARIO PENSIONERS PROPERTY TAX ASSISTANCE AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr.

Leluk, first reading of Bill 137, An Act to amend the Ontario Pensioners Property Tax Assistance Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, I indicated in an earlier statement the contents of this bill and of the bill I would now like to introduce.

INCOME TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. Leluk, first reading of Bill 138, An Act to amend the Income Tax Act.

Motion agreed to.

SOCIETY OF MANAGEMENT ACCOUNTANTS OF ONTARIO ACT

Mr. Williams moved, seconded by Mr. Kennedy, first reading of Bill Pr17, An Act respecting the Society of Management Accountants of Ontario.

Motion agreed to.

LATVIAN CANADIAN CULTURAL CENTRE ACT

Mr. Williams moved, seconded by Mr. Kennedy, first reading of Bill Pr30, An Act respecting the Latvian Canadian Cultural Centre.

Motion agreed to.

CHICOPEE SKI CLUB ACT

Mr. Sweeney moved, seconded by Mr. Riddell, first reading of Bill Pr20, An Act respecting the Chicopee Ski Club.

Motion agreed to.

CITY OF KITCHENER ACT

Mr. Breithaupt moved, seconded by Mr. Sweeney, first reading of Bill Pr16, An Act respecting the City of Kitchener.

Motion agreed to.

CONSUMER PROTECTION AMENDMENT ACT

Mr. Wrye moved, seconded by Mr. Van Horne, first reading of Bill 143, An Act to amend the Consumer Protection Act.

Motion agreed to.

Mr. Wrye: Mr. Speaker, the purpose of this bill is to clarify the fact that the lender is responsible for delivering to the borrower at his last known address a clear, written statement showing the current status of his account.

4 p.m.

CITY OF LONDON ACT

Mr. Van Horne moved, seconded by Mr. Mancini, first reading of Bill 144, An Act respecting the City of London.

Motion agreed to.

CANDORE EXPLORATIONS LIMITED ACT

Ms. Fish moved, seconded by Mr. Piché, first reading of Bill 145, An Act to revive Candore Explorations Limited.

Motion agreed to.

PLANNING AMENDMENT ACT

Mr. Swart moved, seconded by Mr. Charlton, first reading of Bill 146, An Act to amend the Planning Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of this bill is to give a greater degree of permanency to official plans and to establish the principle in the Planning Act that the minister shall not refer official plans or parts thereof to the Ontario Municipal Board for a hearing when the same subject matter has been dealt with by the OMB within a five-year period preceding the request. Provision is made for the minister to waive the five-year limit if the matter is essential and urgent.

KLEVEN BROTHERS LIMITED ACT

Mr. Piché moved, seconded by Mr. Treleaven, first reading of Bill 147, An Act respecting Kleven Brothers Limited.

Motion agreed to.

MOTION TO SUSPEND NORMAL BUSINESS

Mr. Smith: Mr. Speaker, prior to the orders of the day, I move that the ordinary business of the House be set aside—

Mr. Speaker: Order.

Mr. Martel: I do not want to be too technical, Mr. Speaker, but I know what my friend is about to attempt to do. Since we placed our motion last Friday, I believe, on the question of mortgages, and it was therefore on the Order Paper first, I ask Mr. Speaker to recognize my leader, because that is the way the business runs in this House.

Mr. Nixon: On a point of order, Mr. Speaker: While the remnants of the NDP are applauding that comment, I bring to your attention the fact that the deadline for the introduction of those notices to you is 12 noon on the day of the

debate. You got the notice from the official opposition well before the deadline, and I certainly call on you, sir, to do your duty and recognize the leader of Her Majesty's loyal opposition.

Mr. Speaker: Thank you very much. However, I must in all fairness accept these in the order of priority. In actual fact, Mr. Cassidy had filed his motion last Friday afternoon. I was here and I received a copy of it—late in the afternoon, I might add. In all fairness, I think there is no option—in fact, I know there is no option—but to accept Mr. Cassidy's motion.

An hon. member: Well, then, you ought to write new rules. What are you basing the ruling on?

Mr. Speaker: Order. Order. I thought I had made it abundantly clear that I was basing it on priority. Mr. Cassidy had his in first.

Interjections.

Ms. Copps: On a point of order, Mr. Speaker: Can you table with this House the standing order under which authority you are acting?

Mr. Smith: I will solve it for you, Mr. Speaker. We will abide by your ruling, of course. What I would like to say—

Interjections.

Mr. Smith: Frankly, there is no standing order under which the Speaker is acting, and the member knows that. But the—

Mr. Martel: It is a precedent.

Mr. Smith: No, there is no precedent, either, on that. But as a general—

Interjections.

Mr. Smith: Let us not be silly. The only precedent, as the member for York South (Mr. MacDonald) knows, is that the official opposition is normally recognized first. But, as a matter of courtesy, it is perfectly understandable that the Speaker may wish to rule otherwise.

I might just explain, however, that this is not a very important question, frankly, and it is not a question for us of who has the privilege of putting the thing forward. It is simply that the motion suggested by the NDP, although we can support it fully, does not include some groups that I know they would wish to have discussed during the course of this debate. We merely wish to broaden the motion that the NDP presented to include small businesses and farmers.

Mr. MacDonald: It is out of order.

Mr. Smith: That is fine, but the problem is that one cannot amend a motion like that, as the member for York South is aware. And, frankly, it is our wish to be able to discuss more than just the impact on home owners, however severe that might be. But it is certainly up to the Speaker to rule as he wishes, and we have no grave objection to it. We might just make some comments about those other groups when we have an opportunity to speak.

4:10 p.m.

Mr. Cassidy: Mr. Speaker, I want to comment on the five-minute time available to talk about why we should have this motion now and why we should suspend the regular business of the House in order to talk about the impact of high interest rates on home owners.

As the Leader of the Opposition says and as we are very much aware, because we intend to raise this issue again and again this fall, the interest rates are driving thousands of people across Ontario out of their homes through foreclosure or by forcing them to sell their homes. They are also having a punishing impact on small businessmen, farmers and every other sector of our economy.

We intend to raise that because all through the summer, while this Legislature has been adjourned, people have talked to me of nothing else but the impact of the interest rates. At 16 per cent, the government itself admitted back in June 1980 that 20,000 home owners would face hardship in renewing their mortgages. Now we have mortgage interest rates above 20 per cent, 200,000 people who face having their mortgages renewed in the course of the coming year and unprecedented high interest rates, which mean the price of housing for those people is going to be far higher than the 30 per cent of income which it was traditionally felt they would be able to afford.

Up until now, the situation was that people in the assisted home ownership program houses were losing their homes because they could not afford to stay in them. Now it is extended to all in the market who are on modest incomes and who cannot face just about a doubling of the cost of their mortgages when they come up to have those mortgages renewed.

Not only is the effect now being felt in sectors of the housing market for home owners but it is also being passed on to people who are tenants, because the landlords are renegotiating mortgages and have to pass those costs through, as they are entitled to do under rent review.

The effects of the high interest rates are now

hitting home owners who are drawing on income that could be used for buying cars, for buying durables, for buying goods in the market to create jobs in Ontario. They are sucking that money out of the market and, as a consequence, they are helping to contribute to the high unemployment we are facing in our province today.

We believe this matter has to be discussed now in the Legislature as a matter of emergency because, if we do not take action in Ontario now to protect people who are home owners from losing their homes, we are going to have a situation that will get more and more critical, not just in the coming year but starting right now. It is an emergency that has built up over the course of the summer.

In addition to that, we feel the government of Ontario has to take action and treat this as a matter of urgency and emergency. The Treasurer (Mr. F. S. Miller), unfortunately, does not believe that to be the case, but we think there has to be action by the federal government to bring interest rates down. That will benefit everybody in this province as soon as it is done.

We think there has to be action by Ontario, not just to make speeches but also to put pressure on the federal government. That pressure could be brought in particular if we legislated in Ontario to put such pressure on the financial institutions that they would tell the federal government to bring the interest rates down.

Today in question period I called for a moratorium that would ensure that any mortgages coming up for renewal over the next six months would have to be renewed at the existing rate. That would be a means of enlisting the banks and financial institutions on the side of the people of Ontario to get action by the federal government to bring the interest rates down.

That would be a period of pause, a period during which it would be possible to put new measures in place that would ensure we had interest rates that people in this province and in this country could afford.

I have said before, and I say again, it is time now for Ontario to look at a tax on the excess profits of the banks and financial institutions. Why should they pay a tax rate that is one third the tax rate of the average family in Ontario when their income has gone up by 46 per cent in the first half of this year compared with last year? Why should the banks profiteer and not contribute at all to relief for people who are being hit by the high interest rates?

We believe that Ontario is in a position as the largest province to take action and not just to debate the matter here. We believe the Legislature must first be seized of the urgency of the question and begin to indicate to the government that we care about it, that it is a priority and not just something that is way down the line.

We believe Ontario must do more than what the Treasurer was saying two weeks ago in Ottawa when he suggested we should have Reaganomics in Canada rather than a policy that would bring our interest rates down and give us a made-in-Canada interest rate policy. We need the debate right now, because we need to initiate action to protect the people of this province who otherwise will lose their homes.

If a roof over one's head is not a basic social right in Ontario, I do not know what is. This province should be committed to assuring every family in Ontario that they have the right to have shelter at a price they can afford, and that means at an interest rate they can afford.

Mr. Cassidy moved, seconded by Mr. MacDonald, pursuant to standing order 34, that the business of the House be set aside so that the House may debate a matter of urgent public importance, that being the crisis confronting vast numbers of Ontario home owners who are facing usurious interest rates as they renew mortgages over the next six months.

Mr. Cassidy: It is a fundamental responsibility of government to ensure that citizens in the province have access to decent housing. The government has failed to meet this trust, either by pressuring the federal government to abandon its disastrous interest rate policy or by acting on its own to alleviate the disaster facing many home owners in Ontario.

Mr. Speaker: The notice of motion was received in time and complies with standing order 34. I will be pleased to listen to the honourable members for up to five minutes as to why they think the ordinary business of the House should be set aside.

Mr. Smith: You have already heard from them, Mr. Speaker. It certainly seems to me that the ordinary business of the House should be set aside to discuss not only this very important matter but also the closely related matter of help with the high interest rates that have to be paid by people renewing mortgages, by people who want to build rental accommodation—a problem that has reached crisis proportions in Ontario—by farmers who are at risk of losing their farms and by small businesses that will be going bankrupt at a record rate this winter.

The Treasurer is well aware of the fact that Ontario's small businesses, the backbone of our economy, will be going bankrupt at a record rate this winter, and he cannot deny that.

It seems to me that in Ontario we have always taken the view that free enterprise meant the ability of ordinary individuals to go into business for themselves, to have a family farm or to own a home if they were able to work long enough and reasonably enough to put away some savings. These fundamental values in Ontario are being undermined now by a high interest rate policy which derives not so much from Ottawa, although certainly they have followed it, but from Washington, from President Reagan, whose policies the Treasurer is entering into so many rhapsodies about in recommending the same Reagan policies for the Dominion of Canada.

There was a time when the Ontario government was listened to in the federal-provincial annals of this country. Unfortunately, that time has passed. The parish-pump attitude of the present Premier (Mr. Davis) and the totally incomprehensible do-as-I-say-and-not-as-I-do attitude of the Treasurer have combined to render Ontario into a laughing-stock at federal-provincial meetings.

The real question is whether we are going to continue the fundamental values that Ontario has stood for over the years or whether we are going to allow these to be eroded by the high interest rate policy.

Monetary policy of a high interest rate type makes people pay a price for inflation, but the price is paid unevenly. Large corporations do not have to pay the same price as small corporations. People who have assets to invest actually do not have to suffer the way people who do not have assets to invest must suffer. High interest rates cause a burden, but the burden is not shared equally or even close to equally by various members of society. The Treasurer knows that. He is reasonably intelligent and not an ignorant man. He knows that.

4:20 p.m.

Other policies, such as fiscal policies, fall on different groups in society, but the present policy is hurting certain groups. Just as high oil prices affect certain groups—and the government has moved in a very inadequate and halfhearted way, but at least it has moved a little to help those affected by high oil prices—surely it is the provincial government's responsibility to do something to assist those who are affected most by the impact of high interest rates.

For instance, if the government of Ontario were to insist that people be allowed to use their registered retirement saving plans to invest in their own mortgage, that would be a tremendous help to a lot of people who happen to have registered retirement savings plans. Of course, it would not help those people who are not in a position to have such RRSPs, but it would be a start. People could borrow to put money into RRSPs if required, as the Treasurer well knows.

The Treasurer will remember the exchange we had in the House some time ago when I told him that the Bank of British Columbia gave rates for their loans under prime for the small businesses of British Columbia, and I asked him to invite the bank presidents here to ask them to do the same thing in Ontario. His answer at the time was that the banks were not making sufficient profits.

Perhaps the Treasurer recalls that brilliant answer of only a few years ago when he said he could not impose on the banks because their profits were not high enough. I will read from Hansard if he likes, if his memory has dimmed in the intervening months and years. Surely the bank profits are high enough now, and if the province of Ontario can find \$650 million to buy a minority position in an American company that is developing an Alberta resource—

Mr. Speaker: Mr. Smith, time.

Mr. Smith:—surely this government can find some money to help those hardest hit by the high interest rates.

Hon. F. S. Miller: Mr. Speaker, the point I will try to make today is not whether this is a serious matter or indeed an urgent matter, but whether this is the forum for the debate. It will be accepted by all of us, no matter which party we are in, that the problems faced by individuals—be it of their own making or be it by the chance of the marketplace—are very grave when their mortgage rates are increased, as many are, by a factor of two after a period of one, two, three or five years.

Nothing is as difficult for families to face as a potential loss of their homes. Nothing is as likely to destroy their faith in the system we espouse in this nation. But it has been consistently recognized that interest rate policy, the factor causing this change in the mortgage rates, is not a creature of the provincial government. It is the creature, in the scheme of things in Canada, of our federal government. Even there, to give the devil his due, it is not entirely within the competence or management of the government

of Canada. Governments as strong as that of West Germany have called upon the United States of America to soften their high interest rate policy in the interest of world economies, not just their own.

When the leader of the New Democratic Party says in his resolution that we have failed to meet this trust by not pressuring the federal government to abandon its disastrous interest rate policy, first he recognizes one thing; it is a federal interest rate policy.

On the other hand, he is quite incorrect when he says we have failed to pressure them. I have made statements—quite vigorous statements—last year in December and again in September of this year to that effect and to point out that we need a lasting solution to inflation if we are going to have any solution to the high interest rate problem. That depends very heavily upon the confidence Canadians have in their federal government.

Monetary policy alone cannot be used to fight inflation just through high interest rates. They have to tackle the problems of government deficits here and in the United States, and we have to work on a national economic policy to do so.

These problems do require, as I pointed out, federal initiative and leadership. We expressed that quite clearly in the document I am sure all members got a copy of, which I presented as Ontario's position at the most recent finance ministers' conference, a conference where we felt just a bit used. We were called in to give advice for the budget coming up, I hope, in a week or so. I felt we may have been called after the budget was written, and I expressed that opinion at that time. However, I make the point that a federal budget is imminent. A federal budget is the proper place to tackle this problem, and the proper forum is the federal House.

Mr. Speaker: I would point out to all members of the Legislature that, on April 23 and April 27 of this year, there were two very similar motions put before the House which were ruled out of order at that time. However, I point out that the reasons for that ruling no longer exist, and I have listened to the argument presented with great care and with great interest. While it is interesting, too, to hear the remarks of the Treasurer, in my view the matter is of such public importance that I am going to put the

question under standing order 34(a). The only question before this House is, "Shall the debate proceed?"

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

INTEREST RATES

Mr. Cassidy: Mr. Speaker, thank you for your ruling. I am glad you appreciate that the situation has changed since April. In fact, the very rapid increase of interest rates began again in December, acquired momentum about the time we were having the debate in April and took the Bank of Canada interest rate over the 20 per cent level, has taken mortgages up to 22 per cent and 23 per cent, and now is having an impact in every corner of the economy.

In August, I visited a home up in Ottawa, in Evelyn Gigantes' old riding in Carleton East, and there a lady came in and said, "You know, I am going to lose this house next year." As far as she was concerned, there were no ifs, ands or buts; she knew she could not stay. As soon as her mortgage came up for renewal, that was the end.

When I was canvassing in the Spadina by-election, I ran into people who said: "We cannot stay here. We have been here for four or five years. We have put our life into this place. We wanted it. We are doing our best to keep it, but \$700 a month is more than we can afford, and we are going to have to move out."

Of course, if a young couple with children move out of a home they have struggled to buy, where the devil are they going to go and find a place even to rent in Metropolitan Toronto? Rents have been rising so high and accommodation for families is so limited that they are just as badly off outside as they are struggling to pay the mortgages.

We are faced with an uncaring federal government that has decided to follow blindly policies set in the United States. People are looking somewhere for leadership, not just for buck passing by politicians. Mr. McEachen and Mr. Trudeau try to pass the buck to Washington or to the provinces, and people like the Treasurer of Ontario try to pass the buck to the federal government.

We are looking for leadership in dealing with the crisis in mortgage rates, which, as I said earlier, will lead to 200,000 people having to renegotiate their mortgages just in the coming months, often with dramatic and unaffordable increases in mortgage payments. Make no

mistake, I am talking about increases going from \$350 to \$600 a month, from \$500 to \$800 a month, from \$650 to \$1,000 or more a month; these are typical increases in the mortgages people are having to pay.

Moreover, the term of a mortgage is getting shorter. More and more people are finding they cannot plan their lives. They are having to pay for homes at the same kind of interest rates people used to have to expect to pay for cars. If one looks at the car market today, one can buy a car a lot cheaper in terms of the interest rate one has to pay on payments than one can buy a home for or renegotiate a mortgage.

The high interest rates in housing have led, in turn, to a catastrophic drop in housing starts. They have led to unprecedentedly low vacancy rates in terms of rental housing. They have led to a situation where we are not now building enough housing to meet the needs of ordinary people. Instead, the only housing going up is \$250,000 condominiums, luxury units, high-rise palaces for the various rich, or for people who are able to speculate in today's inflationary environment, with nothing at all for ordinary people.

4:30 p.m.

We are looking for leadership in turning that situation around. That leadership is not just to come from the federal government. We believe that leadership can and should come from Ontario. This province is the biggest province in Confederation. We have 8.5 million people, a third of the population of Canada. We have enough clout, it seems to me, to put such pressure on the federal government that they will have no choice but to act.

That is why we are looking to the government for short-term action to help people out of the present emergency. We are looking for action that will ensure we bring the interest rates down permanently so that home owners, tenants and all the other groups affected by high interest rates can get through the crisis now facing them.

That is why we do not believe the government can just sit by and watch a rising tide of foreclosures and repossessions and quit claims. This government cannot just allow the federal government to follow its disastrous course and say, as the Treasurer (Mr. F. S. Miller) has said, "It is time to do something, but it is going to take a long time to work its way out."

We cannot afford a policy that says we have to follow the lead from Washington rather than going it alone. It is time we sought a made-in-Canada economic policy, a made-in-Canada

interest rate policy. It is time Ontario was prepared even to see our borders shut with exchange controls as a means of insulating ourselves from the disastrous impact of the interest-rate policies that are now prevailing in Washington.

That does not need to go on forever; it can go on for only a short period of time. But if we do not do something, there will be tens if not hundreds of thousands of people who simply will be thrown out of the market. There will be chaos in the housing market in Ontario—a chaos we can afford neither in economic terms nor in social terms.

That is why I am proposing that the government of Ontario should legislate the extension of all mortgages that come up for renewal for a further six months at their current rate—at the least six months. I am proposing that should take place beginning now. We will be happy to co-operate to see the legislation passed. I propose that should prevail for six months, or for a year if needs be, as a means of giving short-term relief to people in Ontario and as a means of putting real pressure on the federal government.

It is clear that when the Treasurer of Ontario hits the Minister of Finance over the head with a handful of limp spaghetti it is not going to have the necessary impact on the federal government. It is clear that speeches by the Premier (Mr. Davis) cut no ice in Ottawa. They got Ontario's support on the constitution. They do not need this province's support any more. They do not seem to give a damn what the Premier has to say.

It is clear that words alone are not going to stop the disastrous course of action coming from the federal government. It is clear as well that the actions by the provincial Leader of the Opposition (Mr. Smith) and his caucus cut no ice with the federal Liberals. What we need to do is to start to make the financial institutions hurt to the point that they will put the pressure on for a made-in-Canada interest rate policy.

The hurt is a relative matter. The profits of the banks are up by 46 per cent this year. They can certainly afford to bring the interest rates down on renewals of mortgages. They can afford a few months when perhaps they will be paying as much out on the deposits as they are getting in on their mortgages.

Nobody will actually lose income from the proposal we are making. It is a means of making those financial institutions hurt to the point

where they say to the federal government: "Enough is enough; bring the interest rates down."

It is time to act now. Ontarians and Canadians can no longer afford the kind of long-term policy of monetarism that has had such a destructive impact on our economy, our society, our country and our province over the course of the last four and half or five years.

The government has to accept affordable housing as an absolute social right; that means housing at an interest rate people can afford. It may take a bit of time to draft the specific policies that will ensure that right is a reality for ordinary families across Ontario.

But while those policies are being created, surely those people whose mortgages are coming up for renewal should not be made the victims of the negligence and delays we have been seeing from the Ontario government and from the federal government.

We cannot, we must not, we should not allow the current crisis to destroy what so many people in our province have built for themselves. That is why we argue there should be a moratorium now.

My colleague the member for Etobicoke (Mr. Philip) said to the Treasurer, "Let's have a change in the mandate of the Province of Ontario Savings Office so that it can bring together provincial savings and put them in the hands of people who need mortgages." The Treasurer is so blind and so shortsighted that he replied, "That is not its mandate right now." No, it is not its mandate right now, but surely the times cry out for some imagination and some initiative on behalf of this government, not just simply stonewalling and buck passing, which is what we are seeing now.

The Treasurer referred us to his statement on building a stronger economy which he delivered at the finance ministers' conference in Ottawa.

The Acting Speaker (Mr. Cousens): One minute.

Mr. Cassidy: One minute, thank you.

That statement was an abdication. In it the Treasurer said we should cut the capital gains tax, we should cut taxes on people earning big incomes, we should cut corporation tax, we should encourage foreign investment, we should abandon our efforts to revise competition policy, we should abandon efforts to strengthen the Foreign Investment Review Agency, we should promote a sound business climate, we should cut the deficit, we should cut spending, we should do everything that is being done by the Reagan administration in Washington.

That is exactly what is happening in Washington right now and it is not working down there. What the Treasurer failed to mention in his statement in Ottawa the other day was that Reagan's policy embraces monetarism. It embraces the high interest rates which he now tries to back away from.

The Treasurer cannot have it both ways. He cannot be so hypocritical as one day to say he is opposed to high interest rates and the next day to buy every aspect of a high interest rate monetarist policy being adopted by the Americans. The Treasurer has to lend his voice and his action; this government has to lend its voice and its time and its legislation to every effort and every means that can be dug up to bring the interest rates down on behalf of home owners in Ontario.

Mr. Riddell: Mr. Speaker, I want to make a few remarks about the serious situation that one sector of our society is facing and that, of course, is the farmers. Farmers, too, own homes, which are very much a part of their farming business. This is well recognized by the Income Tax Act. Not only are these farmers facing the possible loss of their farms, but also they are losing their homes with the farms and wondering where they are going to go in order to live and survive.

We have brought this matter up in the House for more than two years now and we hear the same response—that monetary policy is a responsibility of the federal government and we should speak to our federal brethren about the high interest rates. That is fine; I will admit that monetary policy is the responsibility of the federal government and I am not happy with its policy of letting interest rates go to 23 and 24 per cent.

I have talked to economists. I well recall Dr. Ken Galbraith, who is the head of the economics department at Harvard University, saying it is entirely wrong for governments to allow interest rates to go to that level. He was even suggesting that we follow a restricted wage and price program. In other words, he was calling for wage and price controls and lower interest rates in order to try to bring this economy back to some reasonable measure.

The farmers are in trouble. There is no question about it. We are seeing demonstrations now; we saw them in Owen Sound taking their tractors up the main street, holding up traffic for hours, setting up loudspeaking systems at every bank. We have seen people meeting Eugene Whelan no matter where he goes. He was in

Kincardine the other night and he was met by more than 200 farmers who stand to lose their farms unless something is done.

4:40 p.m.

I was at the Ontario Federation of Agriculture meeting in Huron county just the other night when 1,200 letters from farmers were presented to the federal member to take back to Ottawa. So, sure, Ottawa has a responsibility here, but I maintain the provincial government also has a responsibility.

If I had the time I could tell you, Mr. Speaker, exactly what programs are available to assist the farmers through this tough period in every other province except Prince Edward Island—but they have assisted their farmers through grants. I also have a list of the programs the Americans have to assist their farmers through this period of inflation and high interest rates.

Sure, we follow the American example; we like to say it was the United States that let the interest rates go and we had to follow suit. But by the same token the Americans were very quick to come to the aid of their farmers with a number of very excellent programs, which I will deal with when we start the estimates tonight rather than taking the time now.

At this time last year 81 farmers had gone bankrupt, and to the end of August this year 103 farmers in Ontario have gone bankrupt; more have gone bankrupt since these figures came out. So in total for the last two years in Ontario about 200 farmers have gone bankrupt.

But that does not tell the whole story; we do not know how many farmers sold their farms before they went bankrupt. It has been estimated that for each farmer who declares bankruptcy, 10 more sell out voluntarily. If you multiply the 200 who have gone bankrupt by the 10 more, that is 2,000 farmers. If you consider that these farmers farm an average of perhaps 300 acres, you can see that we have something like 600,000 acres of land that have now been vacated by the farmers who have farmed that land generation after generation. We cannot afford to have these farmers go out, because in the long run it is going to mean a shortage of food.

A lot of this land is being sold to foreign investors who are doing nothing more than speculating. They do not particularly care whether there is a crop growing efficiently on that farm or not. They would probably like to see a crop, they would like to make a profit; but they are not going to farm that land as efficiently as the farmer who has some stake in it and who knows how to farm it.

The land being sold in Bruce county because farmers cannot hold on has to be given special treatment because of its nature, its topography, the stones found in the land. These farmers know how to farm that land, but if they go out of business we are not going to replace them with farmers who know how to farm that land. It is going to lead to a shortage of food, which of course means higher prices to the consumer, compounding the problems the consumers now have with high mortgage rates, et cetera.

I see that the parliamentary assistant to the Minister of Agriculture and Food is here. He will recall when Bill Stewart, the former Minister of Agriculture and Food, set up a committee to look at the whole matter of agriculture, of farming. That committee came out with a report called *The Challenge of Abundance*. One of the recommendations in the report was for farmers to expand and become more efficient. I think the government has advocated that every year since *The Challenge of Abundance* came out.

If the members go back to the throne speech given at the beginning of this session of parliament they will also find that the government was talking about more efficiency, more expansion. So really the government have been the ones telling the farmers, "You have got to get bigger. You have got to get more efficient." These are the very farmers who are now in trouble, the guys who followed that advice, the fellow who borrowed money when the interest rates were reasonable at 12 and 13 per cent. All of a sudden he finds he is paying 24 per cent on his expansion program.

Let us not say it is the inefficient farmer who is going out of business. It is not. As the parliamentary assistant well knows, it is a lot of the good, efficient farmers who have followed the government's advice who are now in trouble. They are going to go under unless there is some immediate relief from government at both levels.

I heard the Minister of Agriculture and Food (Mr. Henderson) interviewed on a television program. Of course, like his colleagues he says it is a federal responsibility and that he has no control over interest rates. I admit to that, but the minister also went on to say that if the federal government does not come to the aid of farmers in Ontario, then he and his government will provide some kind of relief program.

If that is the case, I think he should be bringing forward this program without undue delay, without any further delay, because there

are a lot of farmers who are just holding on by a thread. They were hoping to have a good crop and good prices this fall, but that is not the case.

We saw what happened to the bean crop because of the weather—decreased yields and a bad sample. We know what the price of corn is right now. Farmers are looking at \$2.50 or \$2.60 corn this fall. They just cannot do it and pay the high interest rates.

I am saying the provincial government had better step in and provide some kind of relief program to keep these efficient farmers in business or we are going to find an increasing number of farm bankruptcies and land that is not going to produce efficiently, which is going to lead inevitably to higher food costs to the consumers.

Mr. Robinson: Mr. Speaker, I think it is interesting to note at the outset two or three obvious facts about the interest rates and the housing crisis here in Ontario and in Canada. It is interesting that all sides of this House can agree with some passion and emotion that there is a very real problem in both of these areas that affects very real people.

We are not talking about something that is intangible or distant, about some corporation or a gigantic social institution. We are talking about the house a person lives in, that I live in, that the people down the block live in, that the farmer has on his land. It is something that could hardly be any more fundamental or any more personal, but that does not really help a great deal in trying to arrive at a solution to the problem.

Let us examine for a moment where the problem lies. It is interesting to note that both the third party and the official opposition note that the problem and, indeed, the area of responsibility is in the first instance within the purview of the federal government. They know full well they have been pressing their federal colleagues, their federal counterparts for action in this area, particularly in the case of the opposition. They know this government has been pressing the federal government for action in these areas, for relief for these serious problems. Both also equally note that all those demands have met with very little response.

Where does that leave us? That seems to leave the opposition now asking the government of Ontario to substitute for the responsibility that is being abdicated by the federal government, to take over and find some relief for our taxpayers and our citizens on its behalf. It is interesting, when one looks closely at the

federal scene, to note the matter of the economy is obviously not the most important issue in the mind of the Prime Minister. He seems hell bent without substitution that until the matter of the constitution is completed, he is not going to direct the attention of his government in a real or positive way towards the ultimate problem that faces Canadians as related to the economy.

It is interesting that when the federal government does pay some lip service to the economy, Mr. Paul Cosgrove, the federal Minister of Public Works, has difficulty relating to Mr. Allan MacEachen, the federal Minister of Finance. Then Mr. MacEachen seemingly has difficulty relating to the Prime Minister, all of which leaves every citizen of this province without any hope or program designed to give relief from either high interest rates or rising housing prices. But if there were to be a relief program, if the Ontario government were somehow able to cross that jurisdictional boundary and offer the kind of relief program the federal government should be offering, where might that relief come from?

4:50 p.m.

Would it come from the banks? Should we tamper with the free enterprise system and instruct the banks somehow that no matter what their policies are, no matter what they are paying out on money that is put in trust with them by way of savings, they should somehow automatically and without further consideration—I heard it suggested earlier in this debate—cut the interest rate on mortgages in half? I really do not know how they can do that and still maintain the private enterprise system that has become the fundamental cornerstone of our province.

Perhaps we should consider a major subsidization program here in Ontario. Perhaps the people of Ontario should pay for those other people who are on the verge of losing their houses. I am hearing rumblings from down the way—it is interesting that they do not have the answer to the problem either. How should this action be addressed? Should we try to find something in the short term for here, today and tomorrow? That is hardly going to solve the problem of high interest rates, which is a fundamental fault of our economy in this day and age; it is hardly going to bring permanent relief to those people who are now suffering.

I take you back, Mr. Speaker, to that brief period of time when Joe Clark was Prime Minister of this country, and I take the members back to a program that was called mortgage

deductibility, a program there was never an opportunity to bring into force, a program that then seemed not necessarily in keeping with the economic times. But had that program been in force now, I would suggest those people facing the loss of their homes through mortgage renewal might not be under nearly the same pressure they are under today.

Where is the real problem then? The real problem is either with the federal government in the first instance, or perhaps beyond, in the broader economic context of the fiscal policy of the United States government and President Reagan. It is easy to say that President Reagan's made-in-Washington interest policy, which has been adopted by Ottawa, is having a negative impact on citizens, and it is. It is also having a negative impact on the government of Ontario; that is you and I and everyone else here. Such things as our farsighted Urban Transportation Development Corporation program have been greatly curtailed because of United States budget cuts, which have absolutely nothing to do with us but affect our economic base here at home.

In conclusion, I would say it has been a privilege for me to take part in this debate. It is unfortunate that where the pressure needs to be directed, at the federal government of this country, to tell it to put aside the constitution if need be for the moment or at least to find somehow the capacity to take a little bit more on its plate and deal not only with the matter of the constitution—which I can tell the House is not nearly of such real concern to the people of Ontario as the prospect of losing their homes—but get on with the very important job at hand.

NOTICE OF DISSATISFACTION

The Acting Speaker: Pursuant to standing order 28, the member for Nickel Belt (Mr. Laughren) has given notice of his dissatisfaction with the answer to his question given by the Minister of the Environment (Mr. Norton). This matter will be debated at 10:30 p.m. tonight.

INTEREST RATES

(continued)

Mr. Wildman: Mr. Speaker, I just have to respond somewhat to that last speech from the member for Scarborough-Ellesmere (Mr. Robinson), which really was no more than a bit of fed-bashing and old-line free enterprise protection of the banks. It really is hard to take in this House, to have people sit there, whether they be supporters of the federal Liberal government or

supporters of the provincial Conservative government, who will countenance usury to continue in this country, in this province.

In the Middle Ages, if there had been any approach to interest rates at this kind of level, the church would have taken action against it. To have that kind of thing accepted in this day and age, when we have got away from feudalism and actually do believe that people have a right to own homes, is really hard to understand.

Why is it that we can hear supporters of both the federal Liberals and provincial Conservatives standing in this House and basically saying, "It is not my job, it is the other guy's," when in fact what they both mean is, "Neither one of us wants to touch it. Neither one of us wants to do anything."

There is no question that not only are home owners facing very difficult times with the high interest rates that we have but many other groups, especially small businessmen and farmers, are facing very serious difficulties, and there are increasing numbers of bankruptcies.

I have a couple of comments to make about the remarks that have been made in the debate regarding small business. I have had many small businessmen come to me and say, "We need to refinance but the change in the interest rates is making it terribly difficult for us to carry inventories. We cannot compete." Many of them, who have never ever countenanced asking for government assistance in the past, come to us saying, "Is there anything the government has to offer at the federal or provincial level? Is there anything that can be done? Are there any grants available?"

Basically, to the small businessman we have to respond that in Ontario or Canada there are no grants for small businessmen but only grants for big businessmen. There are loans for small businessmen. There are the Northern Ontario Development Corporation, the Ontario Development Corporation, the Eastern Ontario Development Corporation, but they have to be big to get a grant. They have to be in the pulp and paper industry; they have to be Chrysler or they have to be the Ford Motor Company.

There is nothing for the small businessman despite the arguments that are made on many occasions about support for small business being the centre of our economy.

In terms of farmers, the same is the case. In my area there are the farmers and beef producers. This fall, in the latest sale in my area, they received an average of 60 cents a pound for beef on the hoof, which, as anyone who has had

contact with the beef industry knows, is completely unacceptable. It does not come anywhere close to meeting costs, and it makes it almost impossible for the beef producer to continue. The main reason for those low prices is the high interest rates that the buyers of those cattle will face in having to carry those cattle over the winter before they are sold.

So we have a situation where one farmer said to me at the latest sale, "At least in Soviet Russia, Stalin killed off the kulaks, but here they make us starve to death." That was a pretty extreme statement to come from a Conservative, as a matter of fact, but to me it is interesting that he would feel that way in the face of the economic plight that the farmers face.

Mr. Mancini: Who made that statement?

Mr. Wildman: It was a local farmer in my area in reaction to the very low prices that beef producers received in the latest sale in the area.

I find it rather strange in that context to have Eugene Whelan going around attacking the banks and bank profits. I certainly do not support the kind of profits the banks have received in the last year or two years. It is something to have the minister of a government that is responsible for high interest rates attacking the banks that are profiting from them. He is really trying to have it both ways.

I want to speak specifically about housing. I recently had a constituent of mine contact me. He built a modest house two years ago. He built it himself, as many people do in northern Ontario. He took what he thought to be a small mortgage in this day and age. It was a \$30,000 mortgage, one that he could afford. He got it at 10¼ per cent. He felt he could afford that. He has a wife and three children, and his wife remains at home with their children because they are young and they both felt they wished to have the opportunity to have her raise the children at home. He has to renegotiate his mortgage next month; he is one of those 200,000 people we were referring to.

He contacted the mortgage institution to ask them what the new rate would be. They speculated that rates might drop somewhat but he was facing something like 20¾ per cent. In other words, it was double or more than double what he is now paying. That means his payments will rise from about \$400 a month to \$800 a month for a modest home. It means that if his wife can get a job outside the home, they might still be able to maintain their home and pay for the house, but that means she is not going to be with her children. It also means she is going to

have to hire a baby-sitter or handle it in some other manner. Certainly, there is no day care in our area she could avail herself of. That is just one example.

5 p.m.

The Treasurer alluded earlier to some people who may have brought themselves into this situation or found themselves at the mercy of the market through poor planning or whatever. I do not think this individual I am talking about can be referred to in that way. He did not build a big house; he did not build a house he could not afford—at least he did not think he did until now, when he has to renegotiate his mortgage.

He called me and said, "What can we do?" How do you respond to that, Mr. Speaker? I suppose you have been in the same situation. How do you respond when a young person who is just starting out in life suddenly has his world collapse around him and he calls and says, "Is there anything that can be done?"

Unlike the previous participant in the debate, I think there is something that can be done. I do not think we need to continue to follow slavishly the US policy on mortgage rates. I agree with the Treasurer that it is the responsibility of the federal government to lower interest rates; I do not debate that. I find it a little hard to understand some of his comments where he seems to be supporting the Reaganomics that MacEachen is following. But he does on occasion say he thinks lower rates should be brought about by the federal government. Obviously the federal government is not prepared to act at this time. I deplore that, but that does not mean this government should just sit back and say, "It is their job and they are not doing it. Isn't it awful?"

Other provincial governments have responded. They have responded in ways I do not agree with, frankly. The Nova Scotia government, for instance, has a subsidy program. Basically it means just subsidizing more bank profits and subsidizing those who do not really need assistance.

We face a situation that was raised with the Treasurer by my colleague the member for Windsor-Riverside (Mr. Cooke), when he mentioned that something in the range of 600 homes are being repossessed. He asked what could be done and the Treasurer replied in a letter to my colleague that he was very encouraged by the innovative financing arrangements now being considered by private lenders to ease home owner payment burdens. I wonder what the Treasurer is talking about. Is he talking about

the proposal to lengthen the time of a mortgage and to cut the interest rate that is paid now so that one pays it later? Or is he supporting the temporary home interest stabilization program proposed by the Bank of Montreal and the Bank of Nova Scotia?

I do not think anyone here should support that. All that means is more and more profits to the banks. They are already up 45.6 per cent over last year in the first half of 1981. The banks are not suffering. The banks can afford to maintain the current rates on mortgages if this government has the gumption to tell them they must do so. If it would do that, then perhaps we would get some action, because the banks would put some pressure on the federal government. I do not think we should sit back and accept the situation. People should not be forced out of their homes.

Mr. Mancini: I wish to join in this debate and to support the motion that has been put forth by the New Democratic Party.

In my opening comments I would say that I am disappointed with the New Democratic Party on two counts specifically concerning high interest rates. First, I am disappointed they would not let the Leader of the Opposition (Mr. Smith) introduce and proceed with his more expanded motion so that we could deal with the problems high interest rates are causing farmers and small businessmen. We certainly do not want to neglect the problems these other sectors of our economy are facing, and I am disappointed we will not have the opportunity to debate that fully this afternoon.

Second, before the last election, the Ontario Liberal Party put forward a paper and presented it to the Legislature which outlined a plan whereby the provincial government could assist farmers, home owners and small businessmen. If at that time we had had the support of the New Democratic Party, the people we are now talking about, the home owners who are being pressed to the wall because of high interest rates, would probably already have been receiving some form of assistance.

At that time, it served the political purpose of the New Democratic Party not to support assistance for home owners, small businessmen and farmers. I now take it things have changed and their political purpose is going to be served by the motion they have put before the House today.

Mr. Speaker, as you have sat in the chair since last spring, you may recall that on several occasions I rose in the House to question the

Premier and the Treasurer as to what they intended to do to alleviate the situation for people being forced from their homes, for people being forced to give up their farms and for people being forced to close up small businesses.

I wanted to know from them specifically what they had in mind and what they were going to do since they had this new mandate to deal with the problems Ontario is faced with. What we received last spring was nothing but an evasion of the questions put to them. We received no concrete proposals.

Therefore, we find ourselves here today, during the first couple of weeks in October after a prolonged stint of high interest rates, once again debating the basic problems of the situation. We find ourselves once again asking the government what steps it proposes to take. We find ourselves once again debating the issue instead of the government taking action and moving forward, instead of the government proposing a plan to assist people to stay in their homes, to keep their farms and to be able to operate their small businesses.

We know there is money in the government coffers, we were shown there is money in the government coffers, because over the past summer the Treasurer of Ontario was able to find \$10.6 million to buy the Premier a new executive jet so he could fly across Ontario in first-class luxury. They were willing to put the Premier in a first-class luxury jet—

Mr. Philip: What's wrong with de Havilland? They can't even buy it in Ontario.

Mr. Mancini: As his colleague the member for Windsor-Riverside has probably told the member for Etobicoke (Mr. Philip), there are several hundred people in the area of Windsor alone who are being forced from their homes. I want to make sure they can stay in their homes. If my priority were to decide between an executive luxury jet for the Premier or to assist people to stay in their homes, I would assist people to stay in their homes. I know exactly where my priorities are.

I can understand the frustration many of the people in the province feel. There is money for luxury jets, but there is no money to assist home owners who are being forced to the wall. The old song that this is a federal responsibility is wearing a little thin. We have a mandate given to a party that was able to capture 70 seats, and the only thing it has done since it captured office is to blame all the ills on Ottawa. They have thrown up their hands and claimed they cannot

do anything. They jet across the country in luxury jets to ensure that at every stop they make they go first class.

5:10 p.m.

This government put itself on record clearly in 1975, not just by an ordinary back-bencher, not just by a member of the cabinet, but by the Premier himself. The Premier made a speech, a copy of which I happen to have, back on September 11, 1975, when he was in Waterloo. He was speaking to an audience, and he said to them—and I am quoting the Premier:

“What we would propose, if we are forced to act, is to extend tax relief to present and prospective home owners through a new tax credit which would offset three quarters of the mortgage interest costs which are above 10 1/4 per cent. Such relief would be allowed to a maximum of \$500.”

The question is, if 10 1/4 per cent interest rates were driving people from their homes in 1975, what are 22 per cent interest rates doing today? Why was it proper for the Premier of Ontario to offer assistance in 1975 when rates reached 10 1/4 per cent, but it is not proper today when people are literally turning in their keys, when they are being forced to the wall?

I, like other members, have received many phone calls and many visits by individual constituents at my constituency office explaining to me their plight. No one could have foreseen the doubling of interest rates. No one can be expected financially to pay such a drastic increase in payments on a monthly basis over so short a period of time.

What have we received from this government? A flat nothing. Now they even try almost not to acknowledge the comments that were made by the Premier—not only comments but the promise that was made by the Premier. If the Premier of Ontario cannot be trusted with such a promise, I dare say there were many home owners who bought homes and who increased their mortgages because of this promise.

I dare say the government does have a responsibility. They encouraged this; they encouraged people into big mortgages with their \$1,500 first-time home owner grant and with this proposal that was made by the Premier. They have obligations as the government of Ontario. They have been elected to serve the needs of the people; instead, they sit there and throw up their arms.

The Treasurer goes to Ottawa and gives all kinds of instructions to the Minister of Finance of Canada. The Leader of the Opposition

pointed out today that the Treasurer went to Ottawa and said: “Cut spending. Do not increase your deficit. Do not do this. Do not increase taxes.” Yet only last May the Treasurer did exactly all of the things he told the Minister of Finance of Canada not to do.

This government has an obligation; it has been elected to perform. We will sit here on the opposition benches and remind them of their obligations; and we hope they take them seriously before too many people are forced to leave their homes.

Hon. Mr. Bennett: Mr. Speaker, I guess nobody more than myself over the last number of months has heard about the high mortgage interest rate program in Ontario and indeed in Canada. I have heard from home owners in every part of this province about the difficulties they are experiencing.

Our ministry, along with the Treasurer's ministry, has worked on trying to bring Ottawa to some understanding of the situation. At the time we realized there also had to be an increase in the amount of rental stock that would be available in our province. We have taken the opportunity of reviewing programs in Ottawa and, indeed, as the member for Algoma (Mr. Wildman) has said, of reviewing programs that have been offered by other provinces.

But I think we have to realize that the problems today are not only those that relate to new housing construction, which most of the provinces have zeroed in on. I would have to say that if one point has been brought home it has been that it is not so much new housing stock that we have to be concerned with, because as one notices from the advertisements in the press across this province, most of the developers are writing down the mortgage interest rate to 14.5 to 15.5 per cent. That is in the range of what appears to be somewhat affordable in today's market. If it is not, then I would have to say that the remarks made by the general public in relationship to interest rates would not support that position.

Mr. Philip: And they are tacking it on to the price. What difference does it make? What difference does it make when they take it from one end and put it on to the other?

Hon. Mr. Bennett: Mr. Speaker, I ask the member for Etobicoke to sit and wait his turn. I do not think there was any interruption from

this side while the members of the opposition were speaking. I would appreciate the same courtesy.

Mr. Renwick: We saved you from foreclosure.

Hon. Mr. Bennett: We will take that up on another occasion.

I was saying very clearly that we have the situation where the programs are not related only to new construction by any stretch of the imagination. The Treasurer, my ministry and others have been to Ottawa. We have discussed their responsibilities with the federal treasury. Let me say that the opposition party today is in agreement that it is a federal responsibility. It does not singularly rest with the province of Ontario; it is a collective problem in this country.

Ultimately, the financial and fiscal responsibility of this country rests with the federal government. I believe if we are going to make some major changes in the interest rate program through the Bank of Canada—and I am pleased to see that over the last few weeks the rate has continued to drop, and I would hope that we might experience a similar adjustment downward in this week's rate; I do not know, but I would hope that we would. Indeed, it has significantly dropped in the last few weeks, if one wants to look at a point and a half as being rather significant.

I want to say very clearly that we have suggested various types of programs to the federal government. I am sure that when the Treasurer speaks during the latter part of this debate he will try to cover them. We have suggested ways that we believe could be of some assistance in putting mortgage money to work. But let me remind members that, when we talk about the banks backing off and the banks doing this and the banks doing that, most of the money on deposit happens, as has already been said, to belong to the private individual depositors in this country who have trust and faith in the chartered banks of Canada and who are anticipating some return.

I want to recite a little story that happened to me just the other day when discussing the situation relating to interest rates. A real estate agent of some renown, who now is retired, was indicating clearly that he thought the mortgage rates were atrocious in this country and they should back off. He felt there should be some position taken with the federal government in trying to reduce that position. The next remarks were very simply this: "But they dare not

interfere with the 90-day or 119-day short-term money that we have on deposit at the bank, because we want to maintain that 19.5 per cent or better interest that we have been paid by the banks on short-term deposits." Obviously we are talking about one and the same number of dollars that happen to finance mortgages or other portions of the economy of Canada.

I want to touch on the problem of rental construction. We introduced a program, the Ontario rental construction loan program, which we thought would bring on stream something in the range of 10,000 units in Ontario. There was a rather substantial number of people who took up the offer of the province, to the point where it was adjusted upwards to accommodate more applications from across our province. We had a total of something better than 20,000 units applied for in 221 projects. Certainly some applications have fallen by the wayside as a result of one or two things; either that type of unit was not required in their community or because, financially, the company did not want to proceed with them.

Overall, we have approved something in the range of 14,000 units, of which about 6,600 are under construction. There is some question about whether the other 8,000 will proceed.

I have to say that when CIPREC, the Canadian Institute of Public Real Estate Companies, and the others that have come in to see me put their position clearly to us, it is difficult even from a government point of view to suggest that we should force them on to construction.

There are a couple of problems. First, interest rates obviously are the basic problem, because the rate they originally were predicated on was 18.5 per cent. If the rate went back to 18.5 per cent, the private sector would take the opportunity of developing at least the 15,000 rental units, if not more. But at 22 per cent or a rate in that range, it takes it completely out of all proportion economically for the developer.

The second point—and certainly I am going to refer to Canada Mortgage and Housing Corporation, because we have had some long discussions with them—is that the federal government has two problems I see that are somewhat impeding the progress of development rental construction in Ontario.

One problem is that the federal government will not participate in a piggyback of the program, the Ontario rental construction loan program at the moment. I have some faith that they will turn around in the budget in the near future and come forward with some type of

program that will offer some assistance to encourage rental construction, because just a week ago the federal government acknowledged through CMHC that it now recognizes there is a rental shortage in major portions of Canada and it will now come to the table and offer some assistance.

5:20 p.m.

The other area is multiple-unit residential buildings, which is a tax incentive program. Without MURBs, the rental construction loan program on its own does not really make much sense. I said that at the time of the introduction and I repeat it here again today.

I am encouraging the federal government, through the Treasurer of this province, to continue the MURB program beyond the conclusion of the current year. I think it is important that some definite position by the federal government be given at the time of the budget as to what will happen with MURBs.

The third situation—and I suppose it has maybe a greater effect today on trying to get rental construction going in Ontario, and maybe in other parts of Canada, than the previous two items I raised—is the mortgage insurance program of CMHC.

For a long time the mortgage insurance program would insure large rental construction programs in the range of 85 to 90 per cent of capital costs. As the interest rates moved up, the mortgage insurance program went down. The percentage being offered by CMHC arrived at somewhere around 75 to 80 per cent. Once the interest rates exceeded 19.5 per cent, the federal government's mortgage insurance program dropped to between 50 and 60 per cent.

I might say to the members that a project in Scarborough was discontinued by a developer for the simple reason that the mortgage insurance dropped to 51 per cent, which means that somewhere along the line the equity factor by the developer has to be 49 per cent, a ridiculous situation in terms of the cost of money in today's market.

I am suggesting strongly, as I have suggested to Mr. Hession and Mr. Cosgrove, that some adjustments be made in the CMHC policy that would allow, even in the light of the economics and the projection of a project at 19.5 or 20.5 per cent, whatever it happens to be, the portion of mortgage insurance to be something greater than 50 or 60 per cent because, without a greater portion of mortgage insurance, I can assure this House that the possibilities of bringing other construction under way are very doubtful.

I know they will tell me, as they have in the discussions with my staff, that unfortunately it is a long legislative process to make these adjustments in the Canada Mortgage and Housing Corporation Act to allow for greater mortgage insurance. I would like to suggest, as have my staff in their discussions in recent days with CMHC and with the present CMHC, that at least Mr. MacEachen, at the time of his budget, could say very clearly that he is preparing to make these changes in the mortgage insurance program and that he will entertain them at certain rates today and that he will be able to accommodate them.

Mr. Speaker, I tell you very honestly that, while we recognize the difficulties, I believe it is incumbent upon the federal government, not singularly to this province, nor singularly to any other province, but collectively to find some solution to the situation. We know what the difficulties are. We know very well that in the marketplace today something in the range of—for those seeking help—35,000 unit owners will be using more than 30 per cent of their income to maintain their residences at a 22 per cent interest rate. That drops rather interestingly over the next two or three percentage points.

Frankly, I hope we will find in the federal budget of the next few weeks some movement and some assistance that will afford Ontarians and other Canadians the opportunity to retain their homes.

Mr. Philip: Mr. Speaker, last year around this time the mortgage interest rate was above 13 per cent. This year we are facing mortgage interest rates upwards of 20 per cent. Indeed, if we look at the recent list of mortgages available on a one-year basis, we are talking about well over 20 per cent: Bayshore Trust, 21.5 per cent; Canada Permanent, 21.5 per cent; Monarch, 23 per cent; National, 22.5 per cent—and I could go on down the list.

This problem is considerably worse when we look at what speculation has already done to the cost of housing, particularly in some of the urban areas in Ontario. In July 1980, the average cost of a house in Metro Toronto was \$76,793. By July 1981, the average jumped to \$103,946, an increase of more than 35 per cent in one year alone.

This government has failed to do anything about the effect of foreign capital coming in and acting as a force in driving up the price of housing and therefore driving up the total amount required for mortgages on that housing

when it is purchased. The minister has even refused to investigate the inflow of foreign capital and speculative capital into the Metro Toronto housing area, where the crisis is getting worse by the day.

Even minor fluctuations caused by high interest rates in the last month are no excuse for the fact that housing has increased dramatically in cost, and this government has done nothing about it. This government has failed to do anything about the effects of speculation. It does not even want to know who the speculators are.

The Minister of Municipal Affairs and Housing (Mr. Bennett), who has his own house subsidized and therefore can live in the urban downtown area, tells others that they should live in the more modestly priced suburban areas. But even those of us who have chosen to live in Scarborough, Rexdale or Mississauga are faced with the fact that even there many average families cannot afford the new mortgage interest rates.

The lowest mortgage interest rate now available, as I mentioned, is more than 20 per cent; this means that to carry a \$50,000 mortgage over 25 years on a five-year term would cost just over \$10,000 a year. That is not including the cost of maintenance fees in the case of condominium owners—and if you are quoting a home at \$50,000, you are probably buying a condominium—or indeed the cost of property taxes. Of course, most purchasers must find a mortgage for over \$50,000 if they live in any urban area in Ontario. The result is an affordability crisis. An average family in Metro, with a total income of about \$33,500 a year, simply cannot afford more than \$10,000 a year for housing.

Let us take a look at that \$50,000 home, assuming one were able to find one in an area like Toronto. If we check the multiple listing service for houses listed at that price, an average small family requiring a three-bedroom house cannot find one. Assuming a 10 per cent down payment and property taxes at a low estimate of \$70 a month, an average family could only carry a \$40,000 mortgage and buy a \$44,000 home.

I ask the minister, who likes to tell people to go to the suburbs to find the cheaper housing accommodation, to show us how many homes are listed at \$44,000 or less. Any survey of the multiple listing service would clearly show there are very few available.

I visited with a constituent the other day who experienced in very real terms what high interest rates can do to him and his family. Not

only has his home come up for remortgaging, a matter that will cost him an extra \$500 a month, but he also owns a furniture store where much of the inventory is purchased with borrowed dollars. If he doesn't have the furniture in the showroom, he doesn't sell. If he does stock his store, he must sell each item within two months or his profits are entirely eaten up by the high interest rates. He is getting a double whammy from the government. He gets it on the remortgaging of his home. He also gets it on his business. That is what businessmen and farmers and others are faced with across the province and across the country.

The Minister of Municipal Affairs and Housing promised to get 15,000 rental units built. So far, only 6,000 have been started. When we talk to builders, they simply tell us it is not because people don't want to buy their homes, but rather they cannot put up the huge amounts required because of soaring interest rates. Even though the province promised them interest-free loans of up to \$6,000 per unit, high interest alone is the major factor for not building.

5:30 p.m.

Tenants are not only facing the problem of not being able to afford to purchase homes and enter into the home owner market, but also many of them are finding it increasingly difficult to pay high rents, which result from remortgaging a building at the time of a sale or sometimes even at the time when a second mortgage comes due.

I can give some very specific examples I have run into just recently. In the North York-Don Mills area, a 26 per cent increase resulted from a sale of \$2.9 million. The existing mortgage was at eight per cent. The new or second mortgage was \$2.1 million at 18.25 per cent—a floating mortgage in April. By the time this landlord got to the rent review in August the interest rate was 20.25 per cent. Only nine per cent of the increase he was seeking could be related to increases in the costs of maintenance and other things not related directly to interest rates. The other was entirely related to his increased financing costs.

On Thursday of this week, at 9:30 in the borough of Etobicoke council chambers, I will be dealing with a case of a new building at 46 Panorama Court in Rexdale. These tenants are facing a large increase. The new mortgage adds more than \$200,000 per year to the cost of that building in financing costs.

The landlord was fortunate that he happened to get his commitment for a mortgage a few

months ago. If it were today, the tenants would be facing an even higher rental cost. Unfortunately, in their case the mortgage is only for one year. Unless something is done very dramatically by the federal and provincial governments, they will be facing another large rent increase next year.

In meeting with them, I told them very simply: "Under the rent review system, landlords have the ability to pass on their costs to you. I have examined the landlord's books and, quite frankly, I do not see how he is not able to justify a major portion of his costs."

That is what we are facing when we go before that rent review officer on Thursday. Sure, we will argue that perhaps his heating bill is inflated or a few things like that. But, when one considers that 60 per cent of the average amount of revenue from rent goes to financing, one can see the cost that is being passed on to tenants by the landlords. They have very little choice but to pass on their costs of refinancing or the high interest on the second mortgage when it comes due.

I can give other examples: Willowdale, a 40 per cent increase resulted because of a resale and because of the new mortgage; Yonge and Davisville, a 44 per cent increase, again because of a mortgage; Bathurst and Eglinton, a 46 per cent increase.

When I asked the Treasurer (Mr. F. S. Miller) today about the Province of Ontario Savings Office, he said it was not its responsibility to be anything more than a savings office. When that office was set up in 1922 by the last progressive government in this province, money was deposited with the savings office to be used to make low-cost improvement loans to farmers. The Alberta government does that, and it has expanded that operation to the point where \$1.9 billion was available to businessmen and consumers in the last year. I wonder why this government does not show the imagination other governments have shown.

Mr. Ruston: It is really a sad situation right now, Mr. Speaker. In the Depression days, people were losing their property because they had no jobs and no money. Now there is an oversupply of money; so governments, for some reason, seem to think they should raise interest rates to discourage people from borrowing money. This has happened in the United States and, since our federal government feels they have to be lock-step with whatever happens over there, they follow the same plan.

Personally, I do not believe that is necessary,

and the reason is I do not think we have to have our money tied to theirs. I do not give a damn what our money is worth compared to theirs. If we get our economic situation going right, it will take care of itself over the long run. To be locked in step with theirs is not necessary. It is a foolish policy we are going by at this time.

If we want to get down to the real reason we have inflation, it is because of governments running huge deficits. There is no other reason. I have an article—I wish I had the time to read it all—called "Inflation 101" in "Our Opinions" in the *Detroit News* of September 23, 1978. I would be glad to send one of these over to the Treasurer.

There is no reason why any layman cannot read that and understand what it is doing. What it is doing is, the government cannot borrow the money it needs from the banks when it runs a huge deficit because it would take the money away from businesses and other people who have to borrow, so it has to go to the bank, give it a note and then it can print all that new money. Until governments learn that one has to pay for things at some time, we are going to have these problems.

I suppose the present Treasurer, sitting here, says, "Ottawa has a big deficit, bigger than ours per capita." That is true. The central government probably does carry a higher deficit proportionately than any provincial government. The United States deficit is so high now that they have quit counting. They cannot even figure it out. I think it is a trillion now. No one can even add that up on the little computers we have around today. We know the cause of it, but no one seems to know what to do.

I sent a letter to Mr. MacEachen, the federal Minister of Finance, the other day. I suppose he gets so many letters that mine will end up in file 13. I suppose everyone knows what file 13 is; that means thrown in the waste-paper basket. I came out very forcefully in my letter and I am not afraid to give figures of what I think we should be heading for.

I have heard statements thrown out in Ottawa by Mr. Broadbent, the leader of the federal New Democratic Party. Everyone here who has spoken so far today has not mentioned what interest rates should be. I heard somebody say 10½ per cent. I am not sure it would be a fair interest rate if one could obtain a mortgage at 10½ per cent when one considers there are many people, many aged people, who have put money away, hoping to have some interest to live on.

With inflation at the rate it has been, many of them have been losing money. I will say the last six months have helped them more than they expected, although many of them have had their investments tied in for many years and are still not getting any advantage from this.

I told Mr. MacEachen in my letter that he should set the government bank rate at 14 per cent. Figuring that out to the rate that mortgages would be at, they would probably be somewhere in the vicinity of 14½ to 15 per cent. That is quite a jump from what some people have, but maybe our mortgage rates have not kept pace with the inflation rate, and people who have had this money and have been hoping it would keep them and give them a living during their older years are looking forward to it and need it because they were losing money on inflation. They were not getting as much as what inflation was each year. Many of them were losing money by having saved money and were not getting enough interest to cover what the loss was at the end of the year.

The bank rate should be set by Ottawa at 14 per cent. Then the prime rate would be governed by that and would be around 15½ or 16 per cent. Mortgage rates would be somewhere from 14½ to 15½ per cent. I think we could live with that if we had that in a staged program over a year or two. If inflation goes down, that definitely should go down also.

We all get up and rant and rave about what is going on, but I have not heard anybody here give any figures. I am not afraid to quote a figure. I know somebody will say, "That is too high." Maybe it is too high but at least it is 10 times better than it is today.

I can take you to many business people who have to borrow money to operate. They borrow it on a demand note and, of course, whenever the interest rate goes up that means they have to pay a higher rate. It is a sad situation. These are business people who were operating in good, sound financial situations, but when interest rates jump by 100 per cent in a matter of three or four months no businessman can protect himself under those circumstances.

5:40 p.m.

This government can and must take some action. I do not think we should wait until the federal budget comes in. If it is going to be a couple of weeks I can stand for that, but at that time if there is no action taken by the federal government throughout all of Canada then this government must take action. It has a mandate from the people of Ontario; it has a majority

government, and it is its responsibility to see that the people do not lose their homes, businesses and farms.

Sure, some will overbuy; you will have the odd one. I have had a number call me, but among all those who called me there was only one who overbought. I told him, "You have overbought so much that even the Treasurer of Ontario could not help you." He was expecting that inflation would put the price of his house up, and he thought that in three years he would sell it and make \$25,000 on it. Instead the house went down about \$10,000, \$15,000 or \$20,000. He put a \$20,000 down payment on it, so he is going to lose his \$20,000 if he loses the house. But he did overbuy. His income was not near that. His payments for two years were about 55 per cent of his income, and nobody can do that. We did not tell him to do that; he did it on his own at 12.5 per cent interest.

That is the odd one, Mr. Speaker. But there are thousands in Ontario who need help, and need help right away. It must be done. It is the responsibility of the Treasurer and of us here in the Legislature to see that that is done, and we must do it within this month.

Hon. F. S. Miller: Mr. Speaker, the problem we are talking about today deals with a specific emotion. It deals with a specific part of a problem that affects us all whether we are borrowers or lenders. We are talking specifically, though, about those people who have had to have a mortgage on their homes today. How does it affect those of us who do not have mortgages?

First of all the price of everything we buy today is affected by the interest rates in this country, because every retailer, as a number of speakers have pointed out, has the burden of inventory costs and every manufacturer has the burden of increased borrowing costs and increased money costs for machinery, for buildings, for whatever it takes to produce the product. The people who apparently have no debt and apparently lend the money at these high rates to the banks and other lending institutions are in effect very often paying 60 or 70 per cent of that back in taxes—very often more back in taxes than inflation leaves them. Even the lender with high rates and a 50 per cent tax bracket can end up losing money. So I think we have to recognize that it affects everyone.

But what a great luxury it is to sit in the opposition and be able to decry the incompetence, the inadequacies of those of us who sit in the treasury benches of any government, be it

mine or the federal government. At least there is grudging acceptance of the fact that the problem is federal. There has to be a realization that if we put some stringent rules on Ontario's lending institutions, and some other provinces did not do it, money could move very quickly out of this province to other places, a fact that some of the speakers have tended to ignore.

Through the comments made on the other side there were a couple of consistent points. The first was hatred of the banks. I am not going to defend them. I would point out that banks probably are not lending more than 10 or 12 per cent of all the mortgage money in Canada. They have lent 23 per cent, I am told, of all the institutional mortgages. We have no idea what percentage of the total the institutional mortgages are, but perhaps half would be fair.

Second, there was a consistent statement that somehow someone could lower interest rates by the stroke of a pen or by just dashing off his signature on a piece of paper. Let me tell the House, if it could be so it would be so.

The idea that we live in an economic vacuum needs to be dispensed with; we do not. Money is one of the most portable of all assets. One can move it from one jurisdiction to another. As one speaker said, "Let it go and let the dollar drop, it does not matter to me." He would be back next week telling me about all those things that are in the food basket of the average Canadian that go up immediately because of the cost of the lower Canadian dollar.

Mr. Cooke: What about all those who have been thrown out of work?

Hon. F. S. Miller: That is another byproduct of high interest rates, the very real spectre of lack of return on invested capital; no question about it.

What I am trying to point out is that a problem that was 15 years in the making neither has quick fixes—something we can do today and get it over with—nor easy fixes. I do not know that high interest rates will work. They are predicated upon some certain theories of economics. They assume that the byproduct of high interest rates is unemployment. The proponents say that if there is enough unemployment there will be lower demand, and if there is lower demand, there will be lower settlements in all areas of business and therefore there will be lower inflation.

I do not know whether the pain, which we certainly have, is going to be followed by a resolution of the basic problem of inflation, but I surely hope so and I hope the members

opposite would hope so too. We have been 15 years getting here and we obviously have to take serious measures to see that this problem is resolved.

I would like to point out to a couple of my friends across the House that fiscal policy is important. In fact, I began to wonder if the member for Essex North (Mr. Ruston) a few moments ago was not reciting my own admonitions to his federal finance minister. Of course, government deficits matter and governments have been one of the biggest offenders. Our federal government has to be the biggest of the bigger offenders.

The member talked about the American rate and he tried to make it look—

Interjection.

Hon. F. S. Miller: Nowhere near it. My deficit requirements this year are in the range of five per cent of my spending; theirs are in the range of 16 to 20.

Mr. Ruston: It is higher than that, Frank.

Hon. F. S. Miller: Five per cent at the present time; \$1 billion out of \$20 billion is my cash requirement. The federal government has had somewhere between 16 and 25 per cent.

The member referred to the American government, but he tends to forget that their cash requirements in the US are about on a par with Ontario's—nowhere near the federal government's. We therefore said the federal government could put its house in order; in fact that was one of the fundamental first steps towards solving the problem. Another one was the confidence of Canadians and others in our long-term economic future. I think it is good, but we have had a government in Ottawa for the last few years that has totally destroyed the average Canadian's confidence in his own future.

With that, we have seen a flight of capital from this country that has affected interest rates in a way we have never seen before. Seventeen billion dollars are fleeing this year from a government that has not put the economy first. As a matter of fact, one of my friends over there said just that, and I agree with him completely, that the federal government has not put the economy first. It is time, my friends, that it did. When it does, we will have the solutions.

Mr. Cooke: Mr. Speaker, I am really surprised at what the Treasurer has just said. His Premier (Mr. Davis) goes around this province and says the federal government must lower interest rates, yet he has effectively just told us

that the federal government cannot lower interest rates. What is the policy of this provincial government? Are they simply saying things about interest rates? Is the Premier simply saying things about interest rates for political consumption or is he convinced that interest rates can be lowered? What is the greatest evil? Is unemployment more of an evil or is it better to have lower interest rates and have a devalued dollar in the short run?

The Premier has heard time and time again about the problems we have in the automobile industry in this province. It would be better to have a devalued dollar and have people working than it is for them to be thrown out of work and thrown on the welfare and unemployment insurance rolls.

The Treasurer talked about the outflow of capital and there is no doubt at all that there is a lot of outflow of capital in this province and this country because of foreign ownership. It is this government that encourages more and more foreign investment in this province, rather than coming to grips with an industrial strategy of Canadianization, not only of the energy sector but of the manufacturing sector, so that we have a truly Canadian-owned and Canadian-controlled economy. Then perhaps we can set our own interest rates.

Foreign investment has a lot to do with this problem of interest rates, yet this Premier and this Treasurer refuse to recognize that. If in the short run we need to look at some currency controls in order to keep capital in this country, then again I say that type of control is much better than the unemployment, the massive interest rates and, yes, the inflation that result from 20 and 21 per cent rates and consumer loans that are 24 per cent in many instances.

5:50 p.m.

This Treasurer is afraid to criticize the banks, and that does not surprise any of us in this party. But he knows that the bank profits in this province and this country are up 46.5 per cent compared with 1980 for the first half. In the trust and loan companies, they are up 58.6 per cent. While the provincial Treasurer talks about the tax rates the banks pay, the fact is that the effective tax rate they pay, after all the loopholes they can take advantage of, is only 15.3 per cent. It is lower than corporation taxes; it is certainly lower than personal taxes.

It seems to me another short-term solution we should be looking at is an excess profits tax on banks and trust companies in order to make some of that money available. If we have to look

at a subsidy, then that is where the money could come from. That suggestion was put forward by my leader in the spring.

Car sales and the demand for other consumer goods have dropped dramatically this year because of the interest rate problem. For the first eight months of this year, General Motors sales in Canada are down 14.6 per cent; Ford is down 5.5 per cent; Chrysler is down 10.9 per cent; AMC is down 21.1 per cent. As a result, literally thousands of auto workers in the parts sector are unemployed. I visited Chatham a few weeks ago and found the extreme problems they have in that area, even though the member for Chatham-Kent (Mr. Watson) never talks about them down here.

Large numbers of auto workers are unemployed, and a large number of home owners in the Chatham area have lost their homes. In St. Thomas, a car plant that has been retooled for small sports coupé cars by the Ford Motor Company has been closed down since mid-August and is not looking at resuming production until at least mid-November. Again, that is the result of a decrease in demand and the extremely high interest rates that have affected consumer loans.

Just a week ago I wrote a letter to the provincial Treasurer about statistics that became available to me through a real estate company in Windsor about a number of people who have lost their homes in the Windsor-Essex area. I have not seen these kinds of statistics for the province as a whole; none the less, they are available in our area. The figures were devastating to say the least.

Mr. Fred Mitchell from Bob Pedler Real Estate Limited indicated to me that 250 homes right now are on the market that have been repossessed in our area, and that another 250 to 375 of those homes have already been repossessed and are being held off the market because the market is already so saturated with houses for sale. In the Essex county area alone, there are something like 3,500 homes available for sale now, and in the month of September just over 100 of those were sold.

We are finding that all across the Essex county area, and I assume all across the province, people are not bothering with the procedure of having to go to court to get a writ of possession. They are simply going to the banks or the mortgage companies and saying, "Here are my keys; I cannot afford to keep my home." That is happening in many instances. What really upsets me with what is happening is

that the banks have repossessed these homes, and they are putting them back on the market at three and four per cent below the mortgage rates. In Windsor, they are putting them back on the market at 17 and 18 per cent. So they repossess them at 21 per cent, and they put them back on the market at 17 and 18 per cent to try to get rid of them. That to me shows a total lack of compassion.

If the Treasurer wonders why we express anger on this side of the House towards the banks in this country, it is very obvious why; because they do not have any compassion. Their profits are up significantly and they will not negotiate with the home owners. They simply move in, as this real estate agent said, often without a letter, without a phone call, and just take whatever legal action has to be taken and tell people that they have lost their homes.

A young woman called me the other day at my home and indicated her mortgage was coming up for renewal. She has first and second mortgages. Her payments are going, if I remember, from \$250 a month on the first mortgage and \$100 a month on the second mortgage to something in the neighbourhood of a total of \$600 a month plus municipal taxes. She is a single-parent mother attempting to do her best to provide for her family. She works; she gets \$182 take-home pay per week.

She went to Canada Mortgage and Housing Corporation to talk to them about the problem and they were very nice. They said to her: "Your mortgage comes up for renewal at the beginning of December. Do not worry about it. We will not take legal action until January." So instead of being kicked out of her house at the beginning of winter, she will be kicked out in the middle of winter.

These problems, and the ramifications of high interest rates, are incredible. I think this government has been gutless in its approach with the federal government. It criticizes the federal government because federal-bashing is popular. I certainly do not agree with Mr. MacEachen and his policies. I do not believe that high interest rates are the way to fight inflation, but this government has not put one clear proposal forward as to what it expects from the federal government.

The Premier and the Treasurer can go around this province and this country criticizing all they want, but this happens to be the province that is the most populous. This is supposed to be a have province, even though things have been declining considerably over

the last decade; the Premier and the Treasurer have the responsibility to be very clear as to what they expect the federal government to do.

We have indicated what we expect on this side of the House, in this party, as has my federal leader, Mr. Broadbent, indicated what he expects. Now it is time for this government, on behalf of the people of Ontario, to express its views on the direction it would like the federal government to go in.

I would just like to finish up by saying we had a meeting yesterday in Windsor with the three federal cabinet ministers, Mr. MacGuigan, Mr. Gray and Mr. Whelan. I was certainly happy to see that Mr. Whelan had indicated he was willing to resign from the federal cabinet if appropriate action was not taken for the farmers of this province. I can indicate that Local 444 of the United Auto Workers and I tried to convince Mr. MacGuigan and Mr. Gray that they should have the guts to do the same thing, because it was Mr. Gray who said on the Morty Shulman show in February 1980—

Mr. Nixon: I remember it well.

Mr. Cooke: Yes, I remember it well too. What he said was that if a federal Liberal government did not lower interest rates, and he was part of that government, he would quit that cabinet. That was when the prime interest rate was 15.5 per cent. Now the prime rate is close to 20 per cent and has been over 20 per cent.

We need some leadership from the federal cabinet but we also need some guts and leadership from this government, leadership that we have not seen to date.

The Deputy Speaker: The time has expired for this debate.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, in view of the fact that this debate has gone on this afternoon, I would like to suggest that we proceed at eight o'clock tonight with, first, the second reading, and committee of the whole if required, of the eighteenth order, An Act to amend the Ministry of Community and Social Services Act, followed by Bill 47, The IDEA Corporation Act, followed by Bill 22 and then Bill 6. We will leave the Livestock Community Sales Act, Bill 100, to be considered first thing on Friday morning, before the legislation that I had mentioned before.

The Deputy Speaker: I trust there is agreement from the House.

NOTICE OF DISSATISFACTION

The Deputy Speaker: Just prior to the dinner break, I would like to bring to the House's attention that, pursuant to standing order 28, the member for Nickel Belt (Mr. Laughren) had given notice of his dissatisfaction with the answer to his question given by the Minister of the Environment (Mr. Norton).

Since that time it has been indicated that the Minister of the Environment will not be available this evening. The member for Nickel Belt has been told that. He is in agreement that at the first opportunity, at 10:30 on the appropriate evening, his particular concerns will be expressed to the Minister of the Environment.

The House recessed at 6 p.m.

APPENDIX*

ALPHABETICAL LIST OF MEMBERS

(125 members)

First Session of the Thirty-Second Parliament

Lieutenant Governor: Hon. John B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

Andrewes, P. W. (Lincoln PC)
 Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
 Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
 Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
 Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
 Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
 Boudria, D. (Prescott-Russell L)
 Bradley, J. J. (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breagh, M. J. (Oshawa NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Cassidy, M. (Ottawa Centre NDP)
 Charlton, B. A. (Hamilton Mountain NDP)
 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D. (York Centre PC)
 Cunningham, E. G. (Wentworth North L)
 Cureatz, S. L. (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Dean, G. H. (Wentworth PC)
 Di Santo, O. (Downsview NDP)
 Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Eaton, R. G. (Middlesex PC)
 Edighoffer, H. A. (Perth L)
 Elgie, Hon. R. G.; Minister of Labour (York East PC)
 Elston, M. J. (Huron-Bruce L)

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
Fish, S. A. (St. George PC)
Foulds, J. F. (Port Arthur NDP)
Gillies, P. A. (Brantford PC)
Gordon, J. K. (Sudbury PC)
Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
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Harris, M. D. (Nipissing PC)
Havrot, E. M. (Timiskaming PC)
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Mackenzie, R. W. (Hamilton East NDP)
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Mancini, R. (Essex South L)
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McKessock, R. (Grey L)
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Miller, G. I. (Haldimand-Norfolk L)
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Nixon, R. F. (Brant-Oxford-Norfolk L)
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Pollock, J. (Hastings-Peterborough PC)
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Swart, M. L. (Welland-Thorold NDP)
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Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
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Watson, A. N. (Chatham-Kent PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
Wildman, B. (Algoma NDP)
Williams, J. (Oriole PC)
Wiseman, Hon. D. J.; Minister of Government Services (Lanark PC)
Worton, H. (Wellington South L)
Wrye, W. M. (Windsor-Sandwich L)
Yakabuski, P. J. (Renfrew South PC)

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Wells, Hon. T. L., Minister of Intergovernmental Affairs
Bernier, Hon. L., Minister of Northern Affairs
Snow, Hon. J. W., Minister of Transportation and Communications
Birch, Hon. M., Provincial Secretary for Social Development
Bennett, Hon. C. F., Minister of Housing

Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
 Timbrell, Hon. D. R., Minister of Health
 Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities
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 Baetz, Hon. R. C., Minister of Culture and Recreation
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 Walker, Hon. G. W., Provincial Secretary for Justice and Minister of Consumer and
 Commercial Relations
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 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Provincial Secretary for Resources Development
 McCaffrey, Hon. R. B., Minister without Portfolio
 Sterling, Hon. N. W., Minister without Portfolio

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 Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics
 Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs
 Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Tourism
 MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General
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 Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations
 Rotenberg, D. (Wilson Heights), assistant to the Minister of Housing
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 Taylor, G. W. (Simcoe Centre), assistant to the Attorney General
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 Williams, J. (Oriole), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

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Administration of justice: Messrs. Andrewes, Bradley, Breithaupt, Elston, Gordon, MacQuarrie, Mitchell, Piché, Renwick, Swart, Treleaven and Williams; clerk, S. Forsyth.

General government: Messrs. Barlow, Brandt, Ms. Bryden, Ms. Copps, Messrs. Eves, Hennessy, Kells, McGuigan, McKessock, Runciman, Sheppard and Wildman; clerk, F. Nokes.

Resources development: Messrs. Eakins, Eaton, Harris, Havrot, J. M. Johnson, Kerrio, Lane, Laughren, McNeil, Riddell, Stevenson and Stokes; clerk, A. Richardson.

Social development: Mr. Dean, Ms. Fish, Messrs. Gillies, R. F. Johnston, Jones, Kennedy, Kolyn, McClellan, Ruprecht, Shymko, Sweeney and Van Horne; clerk, D. Arnott.

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Regulations and other statutory instruments: Messrs. Barlow, Brandt, Eves, Grande, Haggerty, Hennessy, Kells, MacDonald, McEwen, G. I. Miller, Runciman and Sheppard; clerk, D. Arnott.

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Ombudsman: Chairman, Mr. Runciman; members, Messrs. Andrewes, Barlow, Boudria, Cooke, Dean, Eves, Kells, G. I. Miller, Philip, Shymko and Van Horne; clerk, G. White.

Pensions: Chairman, Mr. J. A. Taylor; members: Messrs. Brandt, Cousens, Cureatz, Epp, Gillies, Jones, Mackenzie, McClellan, Peterson, Riddell and Williams; clerk, G. White.

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 Conway, S. G. (Renfrew North L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Copps, S. M. (Hamilton Centre L)
 Cousens, D.; Acting Speaker (York Centre PC)
 Cureatz, S. L.; Deputy Speaker (Durham East PC)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Foulds, J. F. (Port Arthur NDP)
 Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
 Kerrio, V. G. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 MacDonald, D. C. (York South NDP)
 Mancini, R. (Essex South L)
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 McCaffrey, Hon. R. B.; Minister without Portfolio (Armourdale PC)
 McClellan, R. A. (Bellwoods NDP)
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 Nixon, R. F. (Brant-Oxford-Norfolk L)
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 Peterson, D. R. (London Centre L)
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 Sargent, E. C. (Grey-Bruce L)

Smith, S. L. (Hamilton West L)

Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, J. (Kitchener-Wilmot L)

Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)

Turner, Hon. J. M.; Speaker (Peterborough PC)

Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)

Wildman, B. (Algoma NDP)

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Ontario. LEGISLATIVE ASSEMBLY

No. 69

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, October 13, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

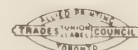
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LEGISLATURE OF ONTARIO

Tuesday, October 13, 1981

The House resumed at 8 p.m.

ORDERS OF THE DAY

MINISTRY OF COMMUNITY AND SOCIAL SERVICES AMENDMENT ACT

Hon. Mr. Drea moved second reading of Bill 84, An Act to amend the Ministry of Community and Social Services Act.

Hon. Mr. Drea: Mr. Speaker, probably the most important section of this act is that in this bill, in line with the growing consensus that there should be comprehensive auditing for all transfer payments, we are providing our own auditors with exactly the comprehensive authority that the Provincial Auditor has. The reason for that is there is a trend towards the purchase of service rather than the direct operation.

This comprehensive auditing authority will ensure two things: one, that we can constantly monitor the quality of service and that the quality of service is in line with the proposals and contract that has been signed for the provision of that service; and two, where indeed there is a multiple corporate relationship, even though a particular entity is providing the service it is owned or controlled or has arm's-length dealing, particularly with a holding corporation, we will have the authority for auditors to proceed all the way through the corporate arrangement.

Again, the results of the delegation of authority—which is not new in other ministries, but is for the first time in the Ministry of Community and Social Services—will enable area managers and so forth to be able, under very specific terms of course under that delegation, to be able to sign directly agreements for provision of service and for provision of program.

Particularly in areas outside of Toronto, this will be a welcome step, because quite often now it is that area manager or that local person who in reality is making the decision. Except, unfortunately, without the delegation of authority it comes forward as a recommendation to the central offices of the ministry in Toronto.

It is a little bit more than speeding up the implementation of programs or the renewal of

programs, because it brings us one step closer to the people closest to the community or closest to the area being able to help decide their own priorities rather than merely being left in the position where they can recommend.

I would hope the Legislature, particularly with regard to the comprehensive auditing section, will see fit to support this bill.

Mr. Conway: Mr. Speaker, I would just like to offer some general comments about the bill before us. I am relatively new to my responsibilities in this area of governmental activity—

Mr. Martel: It has not changed in 10 years in that ministry. You're all right.

Mr. Conway: Perhaps that is so, but when I see a bill like this I am encouraged to wonder what lies behind it. I do not see anything on the face of this bill in specific language that would concern me. There is a tone in the inspection area that would worry me. I will talk about that in a moment.

I also want to know, particularly in the area of the whole inspection provision, I have to ask myself who out there has been involved with the department in such a way as to require these kinds of changes. At the present time, in the Ministry of Culture and Recreation there is a public library review under way. Some of the members may know about it.

What the poor people out in the individual community libraries do not really know, as I understand it, is that one major regional library apparently went bankrupt under the watchful eye of Queen's Park, and because of that local situation the entire province is going to be subjected to a library review and a lot of very good working relationships may very well be threatened, or at least that is the feeling of people in many of the small community libraries.

What I want to know here, what I would invite the minister to respond to, is, who specifically has done the minister out? Who has gypped the Ministry of Community and Social Services under the current auditing arrangements of money in such a way that this kind of legislative enactment is required to tighten up the process?

Make no mistake about it, my colleagues and I are altogether in favour of those arrangements

that will provide for the most careful accounting of public dollars. I do not imagine there are any here who would disagree. But I am interested to know, partly because of a couple of instances in my own county, where people providing services are involved with the Ministry of Community and Social Services, that were reported to me—these are people who, I think, provide a very good service, but I heard stories that were alarming from leaders in the community about funds and where they were going and where they were ending up.

I reported privately to the Ottawa office that these were the reports, and I would appreciate it if they could be checked out. If they were a matter of fiction, let them drop; if they were a matter of fact, then I would like to see some action taken. I have never heard another word from anybody. I do not know what happened. I wonder whether a case like that has brought the minister to this kind of legislation. Really, that is the sum and substance of my own concern here. I wondered how many people had been running through loopholes that need to be closed. Was it a problem in one part of the province only or was it a problem elsewhere?

I must say, though, the compendium relieves some of my worry. This was the matter that concerned me when I first read the bill. As I say, not knowing a great deal about the background and knowing little of the history that led up to this, I got the feeling there was almost a punitive tone of going out and saying, "We're going to watch and we're going to vet those welfare cases in this province with a very effective eagle eye." I felt very concerned that might, in fact, be the impression, wrong or otherwise, left by the legislation.

The minister is nodding vigorously, saying it is not so. But really what he wants to do is to make sure that, particularly in those corporate relationships where agencies are providing services with ministry money or buying or contracting those services and ministry money is involved, there is a more careful accounting. If that is all that is involved, as far as I am concerned, the faster the better. But I would, in conclusion, invite the minister to share with this House a couple of specific examples that would illuminate for honourable members present of the kind of on-line problem this legislation seeks to redress.

8:10 p.m.

Mr. R. F. Johnston: Mr. Speaker, I rise in support of this bill, although somewhat reluctantly—

Interjection.

Mr. R. F. Johnston: This is not a major campaign speech, Remo, you can relax and not pay too much attention.

Mr. Shymko: Let's see some leadership intention, Richard.

Mr. R. F. Johnston: Until I receive money from the member for my campaign, I am not directing any of my speeches towards him.

I understand the premise behind this piece of legislation is that the auditing practices are changing and there is a need to make the present bill conform. That is a worthwhile kind of endeavour, but I am reluctant about this amendment to the Ministry of Community and Social Services Act for two reasons: one, there are so many other amendments that we should be seeing at the moment which could have a lot more body to them than this; and second, the tone involved in the auditing practices section.

I would just like to go through that for a minute in terms of other amendments. I realize I am not allowed to speak to things which are not in the bill. I would have been interested in seeing the legislation behind the decentralization policies of the minister at the moment in terms of what he feels about welfare recipients and why they should not be receiving the same increases as other groups and in terms of the social assistance review board, which needs a great deal of review, in my view. We don't see any of these things here.

Instead, we see a bill that is coming forward with a motion to change the auditing procedures which seems harmless enough and seems to be geared toward societies or agencies rather than individuals. I would echo the comments of the member for Renfrew North (Mr. Conway) in asking just what are the specific groups. For instance, are they the children's aid societies or other agencies for which at the moment the ministry doesn't feel it has the tools at hand to get at their books in order to check out their accountability in the way they are dealing with ministry funds, or is this strictly the clearing up of an auditing practice?

I am reluctant to suggest it, but is there by chance any thought at all in here in terms of welfare recipient bashing? I just read the wording. As somebody who is on the human rights bill at the moment, which is under substantial attack in committee, although we are waiting to go back to do clause by clause, I have heard it attacked in terms of the investigative powers of the members of that commission. I note that under section 6(c) an investigator for the ministry would have the ability to go and get

not just an agency's books but an individual recipient's books or bank accounts or whatever, I would presume, in order to determine how they have spent or used ministry money which they have received. It states, "and may require a recipient of such payment to prepare and submit his financial statement." I would like an explanation from the minister as to why an individual as well as agencies are included in this.

I would also be concerned with the paragraph about obstruction and would like some clarification on that, because that is one of the things under the human rights bill that we have had some concern about in terms of somebody who decides not to give information to a human rights officer. It states here that, "No person shall obstruct the person designated under subsection 1 in the performance of any inspection of any book, record," et cetera, or conceal that sort of thing. I would like some legal interpretation of that because, as it states in the next section, every person is liable to a \$2,000 fine if they do not participate, which is pretty heavy on individuals. I notice there is also a \$25,000 fine for corporations which do not participate.

It strikes me that is a pretty strong power being vested in new investigative officers, I would gather, in terms of the last section of this bill and I would like to make sure that what we don't get here is sort of a witch hunt in chasing down of welfare recipients to check out their books to see just whether or not they are conforming to the Family Benefits Act, or whatever.

One thing the minister said in terms of his opening statement, he used the fascinating term of a "holding company." I was wondering if he could inform the House just what holding companies we are putting money through in terms of ministry funds. I wasn't aware of any, and perhaps it is a mechanism I hadn't really thought about. I thought these were normally directed to agencies or groups around. I wonder if he could explain to us just what the situation is there.

In terms of the other sections of the bill I have no problems at all. The third party section in terms of providing assistance to individuals makes a lot of sense. I just want to be absolutely sure this is strictly auditing and is not some kind of pursuit of either certain agencies or individuals under the present legislation.

Mr. McClellan: Mr. Speaker, in participating in this debate I just have a brief comment. We

support, as my colleague said, the measures that have to do with stiffening the audit procedures. Let me perhaps speculate as to why that may be increasingly necessary. We view with considerable apprehension the increasing tendency of this government, and this ministry in particular, to rely upon profit-making private enterprise to provide social services.

I think for example of Extendicare which has been awarded, as I understand it, a significant contract for the provision of services to residents of Ontario who have developed mental handicaps. I think in particular of rumours bruited about that the government intends to use private enterprise to deal with the problem of providing housing accommodation for former mental health patients.

I think of our previous experiences with Mini-Skool, that famous subsidiary of the Great-West Life Assurance Company now run by an American social-industrial octopus. Obviously, the ministry is going to have to equip itself with more stringent auditing powers if it continues on the foolish path of entrusting essential human services to corporations which are first and foremost in the business of making a buck, not of meeting human needs.

Second, I want to echo the concern my colleague and the member for Renfrew North raised with respect to section 6(c). I was perhaps critic too long and became rather fond of the minister's staff. That is a sure sign that an opposition member should be moved somewhere. On the whole, I found a generous spirit of administration with respect to provincial social assistance programs.

By and large, it was the rule, but I look at a clause like section 6(c) with some apprehension and ask myself, "Is this minister gearing up for a return to the kinds of practices that prevailed when I worked in the ministry in the 1960s when the rule was to snoop and to impose as much by way of stigmatizing humiliation on the process of applying for provincial social assistance as it was possible to get away with?"

I hope it is not the intention of this section to equip the ministry with greater powers of—if I may put it this way—humiliating social assistance recipients. I put it together with the kinds of things the minister has been talking about recently in terms of categorizing social assistance recipients into good guys and bad guys; the good guys being what the minister refers to as long-term pensioners who will stay on provincial programs and the bad guys those who will be relegated to the municipal level.

It looks to me as if the minister is paving the way for the kind of social experiment taking place in British Columbia. I want to tell the minister we are incredibly apprehensive about the direction of social policy in much of this continent.

We intend to be particularly vigilant with respect to his ministry and with respect to the actions of the minister himself in particular. So we look for some kind of unequivocal assurance from the minister that he is not paving the way for a new round of humiliating administrative procedures directed against social assistance recipients.

8:20 p.m.

Hon. Mr. Drea: Mr. Speaker, it is somewhat surprising to me that the language is considered harsh. The language for the auditing provisions is identical to that given to the Provincial Auditor in the Audit Act, section 13.

It is the concern of a great number of people in this House—and certainly one of the greatest proponents is not of my party; we shared a panel together, and I refer to the chairman of public accounts—that there should be comprehensive auditing of every transfer payment, and that is all we are doing.

While I suppose the payments to a recipient of social assistance technically, in a very narrow way might be interpreted as transfer payments, for purposes of this act the transfer payments are either to individuals who are operating a single proprietorship, to a pair or more of individuals running a partnership, or to either a nonshare, nonprofit corporation or a conventional corporation or their agents. It would be absolutely redundant—in fact, not only redundant but entirely wasteful—to use these sections for eligibility review of an individual recipient of either general welfare assistance, family benefits or whatever, because the truth of the matter is that the designated staff of the ministry already have this right.

The reason the Provincial Auditor wants the same kind of comprehensive auditing in transfer payments is that it is not just an audit that lets one add up the money to see that one received \$100,000 and spent \$100,000. Just as in the direct operations of government, comprehensive auditing enables us to look at the quality of the operation.

The member for Renfrew North has asked if there are any instances. No. I don't know when he made his request—it may have been before I was appointed—but I had some others dealing

with that particular one, and there was no basis for the allegation that funds were being used for something else.

The question today is that we are purchasing a service. We have had a holding corporation in the province before. It did not operate with payments directly from this ministry; it operated at that time under the auspices of the Ministry of Health, and it was a nonprofit corporation providing service. That was fair enough and easy enough to look at. The difficulty is, going beyond that, that they had to purchase services and a number of other things from a holding corporation which was a profit-making one. We do not have that situation today, and this is not why we are doing it.

Just as an example, I was asked, and some concerns were registered, by the member for Scarborough West (R. F. Johnston) about how a holding company could be involved. It is not, in the first instance. We would purchase services from company A, but then, in order to fulfil its end of the service contract, that company A might be dealing with other companies at less than an arm's-length arrangement. Our difficulty is that we probably have the authority—at least it has not been challenged yet—to go into company A but then we would be at a stone wall.

The obvious remedy is, and members would naturally say it to me, "Mr. Minister, terminate that contract when it is up because it is valueless." Fair enough. But supposing we were only in a month or two. We can terminate there or change there rather than waiting to buy off the contract, or something else.

Where we use the word "individual" it is because an individual has the books. In most cases there probably are not too many single proprietorships out there. Most of them, to protect themselves, have become a much less risky entity because they tend to own buildings, et cetera.

So it is not so much that we are equipping ourselves for the modern times; it is that the very Audit Acts of this province have changed. We were perfectly in line with the previous Audit Act. We are not in line with the comprehensive audit, the measurement of quality that is now being applied by the auditors who report to public accounts in this province. Under the arrangements our auditors will have that same responsibility and indeed will then be judged, not necessarily by the minister alone but by the Provincial Auditor with a report to public accounts.

At the moment, no matter how desirous the Provincial Auditor—who, incidentally, is very enthusiastic about this bill—or our own ministry may be, they really have no vehicle to bring that type of thing before public accounts except to say something went wrong and here is what we did to correct it.

Just to reassure the member for Bellwoods (Mr. McClellan), when a person applies for social assistance he or she gives either the municipality or the provincial government—in most cases the first application is taken by the municipality, although in some cases it may be by the province—the right to inspect assets, to inspect bank accounts. The right to look at things is a *carte blanche* that is given by the individual.

To ask somebody to produce a financial statement when one already has the authority—indeed it is on the basis of eligibility review: is that person in need? But in dealing with a corporate entity, nonprofit or profit, then one is not dealing on the basis of need or eligibility any more. An agreement has been signed based upon a proposal that has been made and one wants to ensure that at all times that proposal and that contract are being adhered to. I would hope that answers the question.

In answer to the member for Renfrew North, there is a demand, not only a public demand but a professional demand by the Provincial Auditor. Indeed the standing committee on public accounts has expressed it. We are moving in this direction because it does provide that comprehensive auditing that is so valuable in terms of quality.

Motion agreed to.

Mr. Speaker: Shall the bill be ordered for third reading?

Hon. Mr. Drea: Mr. Speaker, excuse me, can we have committee of the whole House? There is a technical amendment that I want to introduce. It is the wish of the Attorney General (Mr. McMurtry) that we not have a class of people but rather individuals under one of the housekeeping sections.

House in committee of the whole.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES AMENDMENT ACT

Consideration of Bill 84, An Act to amend the Ministry of Community and Social Services Act.

8:30 p.m.

Section 1 agreed to.

On section 2:

Mr. McClellan: Mr. Chairman, I had a comment I wanted to make about section 2(6)(c)(ii), which comes before the minister's amendment, if I am not mistaken, so perhaps I could ask my question.

The Acting Chairman (Mr. Hodgson): Would you like to hear the amendment first before you ask your question?

Mr. McClellan: I think the amendment comes after the section I want to discuss. It does not make any difference to me as long as the section does not carry before we get to it.

The Acting Chairman: Okay. Go ahead and ask your question.

Mr. McClellan: It will just take a second. My concern has to do with the definition of the recipient of a payment in section 6(c) of the act. The minister has said unequivocally that "recipient" does not refer to a recipient of an allowance or benefit. Could I have the minister make that statement as clearly as that? If that is the intention perhaps a simple amendment could be put in. Our concern is that the statute as drafted leaves the definition of "recipient" to the regulations.

Hon. Mr. Drea: Mr. Chairman, it will be handled in regulations. The reason we have not put a definition in or put some exclusions in is that these are sections that are going into the ministry act for the purposes of comprehensive auditing. We have been advised by the legislative counsel that we should not go to limiting those sections.

The problem with defining "recipient" in the legislation does not arise in relation to what a recipient is doing with the money that has been provided; it arises when we have a case—and we do have a few—where the money is administered. If, let us say for the sake of argument, a person in the community were administering, paying the bills, et cetera on behalf of recipients for one reason or another—and I am not talking about a municipal government; I am talking about somebody completely outside the scope of the provincial or municipal governments—it might very well be that we would like a very broad definition of "recipient" so we could go back and get at that administration.

We have a very difficult time finding someone to administer allowances because, as the member knows, there is a prohibition against any payment for doing that. But I assure the member that the definition in the regulations will be most explicit that it deals with providers of services or providers of programs.

The difficulty is that if it is just a single nonprofit group, one person, who is providing a program or a service—and that can be done; you can have a single proprietorship—that one person by law fits into that business of recipient, but it is entirely for program or for service, because it would be absolutely useless, a great waste, to use it the other way.

Mr. McClellan: That seems reasonable, but we will watch for the regulation and monitor it when it comes out.

The Deputy Chairman: Mr. Drea moves that section 6(f) of the act, as set out in section 2 of the bill, be amended by striking out “an employee or a class or classes of employees” in the first and second lines and inserting in lieu thereof “one or more employees.”

Mr. Conway: Mr. Chairman, I have no difficulty in concurring and would just add a comment in response to the minister’s wrapup on the first round.

As he stands there with pained expression telling us this is simply a matter of rendering uniform for his department accounting procedures elsewhere, why did he not at some point in one of these compendiums or in these explanatory notes tell us that?

It seems a rather simple matter. I have learned to be very careful with the way this government handles legislation. That expansive sermon about the whole accounting business seemed to escape the authors of both the compendium and the explanatory notes of the bill.

Hon. Mr. Drea: Mr. Chairman, I did not compile the compendium, and there may have been an assumption that, because of the interest expressed by the Provincial Auditor in a ministry going in this direction, and I believe we are the first to do so, there would have been an understanding. If there has been a lack of understanding, I apologize for it.

Mr. R. F. Johnston: Mr. Chairman, I rise in support of section 6(f). I have no problems with it at all.

I might say I never trust compendiums at all—I worry when the Premier (Mr. Davis) does not even come in with the facts to back up his statements in the House—so I phoned the Deputy Minister of Community and Social Services, Mr. Bob Carman, and he was able to explain that to me although, as the minister can tell from my statement, I still have serious doubts.

Hon. Mr. Drea: Just to elaborate on the reason for the amendment: The Ministry of the Attorney General feels much more comfortable with the designation of individual people rather than a general class of employees. It was their request that we change this.

The Deputy Chairman: Is there any further discussion of this amendment?

All those in favour will please say “aye.”

All those opposed will please say “nay.”

In my opinion the ayes have it.

Motion agreed to.

Section 2, as amended, agreed to.

Sections 3 and 4 agreed to.

Bill 84, as amended, reported.

On motion by Hon. Mr. Drea, the committee of the whole House reported one bill with amendments.

8:40 p.m.

IDEA CORPORATION ACT

Mr. Jones, on behalf of Hon. F. S. Miller, moved second reading of Bill 47, An Act to establish a Corporation to Promote Innovation Development for Employment Advancement.

Mr. Peterson: Mr. Speaker, I would be very happy to address a few remarks to this bill. I think it is an indication of how seriously the Treasurer (Mr. F. S. Miller) takes it. Does the member have an opening statement?

Mr. Jones: Mr. Speaker, I have a few remarks I might share.

Mr. Peterson: The member has come to the House remarkably well informed. I have never seen that. Go ahead, please.

Mr. Jones: Mr. Speaker, just before the critic makes his comments about the bill, I would simply remind members that, at the time of the first reading of the bill, the Treasurer stressed that innovation is one of the keys to our future economic wellbeing, and the strong emphasis on research and development within the Board of Industrial Leadership and Development program is a recognition of this government’s commitment to our economic future and to the importance of that innovation.

We all know that we live in a rapidly changing world economy, and Ontario must be in a position not only to respond to these changes but also to lead the way. This calls for dynamic new approaches that will capitalize on our most fundamental assets, the ability of Ontarians to innovate, to develop new and more efficient methods of production and to improve the

quality and the usefulness of our products. We know that Ontario's economic future will depend to a great extent on the development of high-technology industries and that Ontario's manufacturing and industrial communities are moving in this direction.

Our government has an obligation to support scientific research and technological advances to speed the process; at the same time, we must enhance and encourage the outstanding potential that rests within our post-secondary institutions and then, to be truly successful, we must forge strong links between these sectors.

I recently had the opportunity to be involved in some exciting projects of this type in a demonstration of some of the technological advances that are taking place in these sectors within Ontario.

At the Canadian National Exhibition this last summer, we had an Ontario Futuredome, and we had a chance to glimpse some of the robotics, some of the other computer software and some of the new technology that is having a strong birth and growth here in Ontario.

We had demonstrated to us the possibilities that just a short time ago were undreamt of in this province by way of innovations, by way of employment opportunities for the future.

Innovative ideas are becoming more commonplace, provided they are given the type of financial support the IDEA Corporation is promising.

The IDEA Corporation will contribute significantly to Ontario's efforts to meet the economic challenges of the 1980s. In outlining some of the points they need to serve and satisfy, they need to encourage the development of new technology, particularly in the manufacturing sector.

If we wish to see economic growth and expanded employment opportunities, they need also to increase our efforts in the research, design and development potential. Already these exist in large measure in our post-secondary educational institutions, but we need to link these with our industrial, commercial and private sector innovations that are taking place.

They also must assist small companies, and particularly the Canadian-owned companies, in their efforts to develop new products and to expand their facilities.

These endeavours to create new and challenging employment opportunities are the big byproduct of this initiative.

A major component of IDEA's funding will

be directed towards the acquisition of the latest research equipment for Ontario's post-secondary institutions and the provision of research grants for university staff whose work is likely to have applicability in Ontario's industries.

The IDEA Corporation will help us to address the needs that I have just outlined, and it will do so by providing financial assistance of various types, with the focus being the linkage of the different groups involved in the various stages of innovations. Joint endeavours will be encouraged to draw together the resources and abilities that exist within our industries, post-secondary institutions and government.

The IDEA Corporation will serve as a catalyst in the creation and co-ordination of such joint projects covering all aspects of development and application of new technologies.

The structure and membership of the board of directors of the IDEA Corporation will be developed to facilitate this common linkage, which is why there will be a broad representation from industry, labour, universities and government. The background and expertise of the various directors will be brought to bear in uniting these activities of the different sectors that will be involved.

This is an entrepreneurial role that the IDEA Corporation will fulfil through the authorization of grants, loans, guarantees or purchase of equity, whichever is most appropriate in the particular circumstances.

The corporation itself will not directly undertake any research or development activities but rather will provide financial activities and financial assistance to the research and production facilities of industries, universities and other government agencies.

In addition to these responsibilities, the corporation will serve to advise this government on issues that relate to the encouragement of innovative technology in Ontario.

The IDEA Corporation is an exciting new initiative that is central to Ontario's continued economic progress. Briefly, before summarizing, let me reiterate the objectives of the corporation: to promote the development of new technologies; to facilitate the application of new technologies within industry; to initiate research, design, development and demonstration of technologies of particular importance to Ontario; to enter into joint research and development ventures with commercial, industrial and educational institutions; to purchase and sell patents and licence rights as well as to provide various types of financial assistance; to

foster communication and co-operation between universities, industries and government research centres; to improve the capacity of universities and other research centres to respond to the requirements of high-technology industries; to work with agencies of other governments with a view to co-ordinating activities and the development and implementation of that technology; and to advise government on the level of its expenditures on scientific research, design, development and demonstration.

Underlying the IDEA Corporation will be the need for IDEA to be flexible and adaptable in its approach. Its participation will vary depending upon the circumstances; so we are creating a structure that will permit the type of financial involvement most appropriate for each case.

The focus of its efforts will be to build linkages among the concerned technological progress and productivity so that together we may meet the innovation challenge upon which our economic future will be built.

I have a few minor amendments to move, Mr. Speaker; so I would ask that the bill go to committee of the whole House after the second reading.

Mr. Peterson: Mr. Speaker, I enjoyed the presentation, *My Day at the Science Fair*, by Terry Jones.

Supporting the concept of the IDEA Corporation, of course, I have to congratulate the government, because again it is a brilliantly named bill. I am under the impression that they have a complete bureaucracy over there that puts up names and puts the letters on all these bills, because it gives the perception of activity, even if no activity is being generated.

8:50 p.m.

No one in this House and no one in this province would disagree with the stated aims or objects of the corporation: to promote the process of technological innovation. We are all in favour of that, even my friends to the left. We are in favour of bringing together the research capabilities of the public sector and the commercial industrial sector, and we are in favour of growth and employment prospects in the Ontario economy.

I again congratulate the drafter of this legislation, because I think he itemizes very well some of the problems we have.

That being said, this bill is a tacit admission of the failure of so many other programs that this government should have been sensitive to a decade ago. I can tell you, Mr. Speaker, as I

trace the figures, as I see the rundown of the Ontario economy, the so-called deindustrialization that has taken place in this province in the last five years, then it looks to me like too little, too late. This is a political response to an economic problem.

I regret very much that a number of the other programs that have been in place have yielded such barren fruit over the past little while. We have a small business development corporation program—the only thing we have seen so far, and we will get into that some other day—that is a massive system for tax avoidance and has been, by and large, a complete failure in introducing new venture capital and in doing exactly the kinds of things the parliamentary assistant is talking about today.

Then there is the Ontario Development Corporation. What is it doing? It should have been doing this kind of thing. What about the university sector, which is being squeezed, strangled slowly to death because of failure to fund, particularly the hard sciences? Do we need a new agency to tell it what to do? Look at the Ontario Research Foundation, a beautiful facility; if you talk to the directors of that organization, they will tell you they have great untapped capacity.

The list goes on of the government agencies, the government boards and the government commissions, all beautifully and aptly named. But when it nets out, I gather they are not accomplishing all that much, in the minister's mind.

The fact is, and it has been repeated many times in this House, our contribution to research and development in this province as a percentage of gross national product is dismal in terms of the Organization for Economic Co-operation and Development rating. We are thirteenth or fourteenth in the list of the 14 OECD countries, fighting it out neck and neck with Turkey about who will be last.

I am somewhat troubled, because this is such a deathbed response. I guess it came out of the last election. Enough people were hoodwinked by these great programs, so aptly named, to deal with the structural problems in this province. I do not disagree with a thing, in general motherhood terms, that my friend across the floor said. I am sure my friends in the Socialist party are very much of the same concern that I am. But there is so little of substance in here that it is very difficult either to agree with, except in the most broad and general terms, or to disagree with, because we really do not know how it is going to function.

I am very concerned about the funding of this organization. We can perhaps draw a parallel with the Ontario Energy Corporation. I am one of those people who has always supported the role of the Ontario Energy Corporation and felt it had a much larger role to play in the economy of Ontario, which is energy-dependent and energy-poor at the same time.

We saw a moribund organization in the OEC. For a few years it did virtually nothing. Today, it is resurrected phoenix-like and snaps up, at a price of \$650 million, a quarter of Sun Oil Company. Whether that is going to accomplish some of the aims that were originally intended for that corporation is yet to be seen.

The Sun Oil problem is a speech for another day, but I want to use it as a parallel only in these circumstances, because this legislation will allow these people to do nothing for two or three or four years; then an election comes along and they have the power to jump up and buy a quarter of Chrysler or Massey-Ferguson or whatever to give the appearance of activity when, in fact, this legislation is an admission of the failure of so many other well-intentioned programs that have come and gone in this province.

I have been here long enough but, very frankly, I do not have very much faith in that government to deal with the very serious problems in a very serious way. I have so often seen them papered over; I have so often seen, as I have said, political responses to real problems that I do not put very much stock in this piece of legislation, even though we will not oppose it because it is innocuous at this point. But I am still a bit from Missouri in this whole matter. It is going to have to be proven to me by this government that they are serious about these problems.

I will not go into a litany of the failures. I will not go into a litany of the layoffs and the deindustrialization and all the problems we have had. But I will point out that much of the intellectual energy of this House is being directed at trying to solve some of the problems of that deindustrialization. The select committee on plant shutdowns and employment adjustment occupied a number of members very seriously involved in that program, because it is a function of the lack of economic growth here in Ontario. We were working on the select committee on pensions this summer; to some extent, that is a function of the same kind of phenomenon. On and on the list goes: problems of social services and a variety of other areas.

Someone asked me today, "Does this new energy initiative make the Premier a bit of a pinko?" Frankly, I do not know whether he is pink or red or blue or green or whatever colour, because he is whatever colour suits his particular purposes at the time. We have seen this latter-day intervention in the economy. I think it is a legitimate role for government; it is a good role. What is going to be required is the capacity of the administrators, the people whom the government has charged with the responsibility, to have a sensitive hand on the switch. Whether they are going to have that, I do not know.

I used the analogy of the Ontario Energy Corporation. Frankly, this is a company that is operating way under capacity and has done so for the last three or four years, and whether the move of today is going to redeem them has yet to be determined. I assume this corporation is going to be charged with responsibility for the auto parts technology centres—is that true, Mr. Parliamentary Assistant?—the microelectronics development centre, the advanced manufacturing technical centre, the biotechnology company, the centre for toxology and a variety of other so-called sophisticated scientific endeavours.

Again, to address each one specifically, I do not have any problems about those. But I think the government is operating to some extent on the wrong premises, and I want to talk about those for a minute.

I am most concerned, and anyone who has talked to people in the university sector today shares with me, I am sure, this concern, about the slow strangulation of the university sector. It seems to me that so much more could be done there. Rather than give a political response to the auto parts crisis, saying that whether we will have it in Chatham or St. Catharines depends on who votes for us, perhaps the proper place for that is Windsor, as part of the University of Windsor, very close to the main automotive industry in the province, in conjunction with the university and private enterprise as well as the government. I do not think we are properly building upon some of the structural advantages we have historically had here, just as the microelectronics centre may best go at a university in the Ottawa area.

When we try to force an artificial creation or a foster child—really a bastard child born of a variety of different forces in different places—into a place that may be alien to it, it is not exactly sure that foster child will be nurtured

the way it should be nurtured and contribute to society in the way one had originally intended it to contribute.

That is why I have some specific reservations about some of the things I sense the government is going to do. I would rather see us build more on our strength on some of the installations that we have in place. Good Lord, the government's own report says there is a possibility that we may have to close five universities in this province. And it seems to me this so-called new idea program, or IDEA Corporation, could use some of the strengths of that system to allow it to survive longer than it appears it is going to survive at the present time.

9 p.m.

I have yet to be convinced that this new program, this new overview, this new co-ordination of all the disparate programs going on in a variety of different sectors—private, public, university, industry and whatever—is going to accomplish very much more.

As I said earlier, I would not be surprised if, to prove its existence some time, it buys into a high-technology company that has a very high profile, say a piece of Spar Aerospace or something, three or four years from now, to be able to run out in the next election and say: "Aren't we wonderful fellows? Look at what we are really contributing." Meanwhile, the deterioration goes on, and that is a function of so many things. There is no one simple solution to that. There is no one corporation that can solve that, but I can tell the government where to start: with the universities, the job training programs that are so dismally out of fit and out of sync with the job requirements today. It is a surprise that a searing indictment of this government has not led to its ultimate political ruination.

There are a lot of ways in research and development, in procurement and a number of other devices the government has at its disposal that it could have really helped. Maybe the most important thing government can do for a fledgling company or a high-tech company, even more than giving it research money, is to give it an order, buy its product and help it to market it, because an order is far better than a grant. Trust me, I am one of the few people in this place who happens to make a living occasionally in business, and I have some idea of what people who work in the private sector respond to.

We have seen so many examples of so-called free grants, unmonitored grants—I point mem-

bers' attention to the small business development corporation in London where \$3 million of taxpayers' money is now down the hole, lost, functus. It will never be seen again, because 100 unsuspecting investors in London, Ontario, were taken down the pipe by this so-called free grant from London, Ontario, and a local sharpie took advantage of that to flog a lot of shares in high-tech companies—some of them—and it has all gone. We will never see it again.

That is the kind of abuse this kind of program invites, unless it is very carefully monitored. I will not go into that. That is another great speech for another day, and I invite the members back to hear it on the appropriate occasion.

Mr. McClellan: What do you mean, another great speech?

Mr. Peterson: I owe you guys two great speeches, and you are not going to get them tonight.

Mr. McClellan: I have news for you. You are one short.

Mr. Peterson: I just express those reservations at this time. I remain to be convinced that this is the solution to some of the structural problems. God knows, I hope it is, because it is long overdue. A sense of involvement with these kind of problems is long overdue.

There is not another sophisticated state, with the possible exception of certain provinces and states in North America, that is involved in this kind of thing. We have to do it to compete. I just hope the government can work out the structures quickly to make it work and make it operative.

The Deputy Speaker: Just before the member for Algoma (Mr. Wildman) speaks, I would like to bring to the attention of members that there is an unusual din of conversation from the members on my right. I am sure you are talking about the IDEA Corporation. If you could just make your discussions a little quieter, we would much appreciate it.

Mr. Wildman: Mr. Speaker, I find it somewhat amusing that today we had a rather momentous decision announced by the government—certainly in terms of its ideological stance in the past—a significant movement into the private sector in an area that is very important to the economy of this province, and it was done in a very low-key style, almost mumbling.

Yet when we had the overall announcement of the program that was to revitalize the economy of the province, part of which is the

IDEA Corporation, the BILD program, there was a great deal of hoop-la. The government invited guests from all over the province to a real extravaganza of an announcement. The Premier and a number of ministers of the government participated in a media show—

Mr. Di Santo: A circus.

Mr. Wildman: A circus almost, yes; sort of like the ancient Romans, "Give the people circuses and they'll be satisfied."

When we are dealing with something like this, this IDEA Corporation and the whole BILD program, we make a great deal of it, the government makes a great deal of it and talks to just about every corporate executive and banker in the province, and yet when it moves to get involved in the energy field in an oil company it is done almost apologetically, almost as if, "We really don't want to make a big fuss about this. We will be having a news conference later, but it is not that big a deal" and so on.

Mr. Jones: Are we talking to the principle of the bill?

Mr. Wildman: I am talking of the principle of the bill. The principle of the bill, as I understand it, as enunciated by the parliamentary assistant, was the need for flexibility and the need for government initiatives in the economy, to rebuild the economy, in this case in terms of providing innovation and research and development, something that we agree has been missing and has been one of the major drawbacks of the Ontario economy and the Canadian economy.

Mr. Jones: We already have that, we are just going to take it to its next stage. Help it.

Mr. Wildman: We really don't have it. It is interesting that in Canada over the last few years we have had about 0.7 per cent of the gross national product invested in research and development. That is infinitesimal in comparison to most of the western industrialized economies. We are hitting somewhere in there at about the same level as Ireland and Turkey in terms of the amount of money that is reinvested in research and development.

The federal government has aimed at 1.5 per cent of our gross national product to be reinvested in research and development by 1985 because they, as many in this country of all political stripes, have admitted that is a major problem in our economy. The fact is that we buy about 80 per cent of our technology. We don't develop it on our own, and all of the successful economies are economies that invest much

more heavily than we, not just in terms of financial resources, but in terms of their human resources in R and D, and we failed.

The problem, though, is that in most cases when a government of this ideological stripe or, for that matter, the federal government, desires to get involved with improving our performance in this area, they refuse to recognize the real root cause of our lack of R and D. One of the main reasons, perhaps the main reason, that we purchase so much of our research and development is that kind of thing is part and parcel of the branch plant economy, and nothing in this bill does a thing to attack that particular problem, nothing at all.

Mr. Jones: Didn't you hear me about the Canadian companies?

Mr. Wildman: Oh, yes, sure, they are going to help Canadian companies. I commend them. That is a good thing, it is wonderful, but that doesn't turn around any of the problems that we have in terms of the auto industry, for instance.

Mr. Martel: We are now in the fourth inning.

Mr. Wildman: This is the fourth inning. The problem is not only do we import our R and D, we also import our sports.

At any rate, the problem that we have is that most of the major corporations in Canada and in Ontario carry out most of their research and development at head offices in other countries, and the branch plants in this country and this province purchase those technological developments. They do not develop them themselves. They are not given the opportunity to develop them.

9:10 p.m.

Let us look at some of the figures. The 1977 figures are the latest available for comparing countries. We should look at the human resources we put into research and development and not just talk about financial resources. Canada had a population of about 23.3 million people in 1977. These are figures for the whole country, I admit, but since the manufacturing sector is concentrated in Ontario—at least up until this point in our history it has been—most of this applies to Ontario.

With a population of 23.3 million we had about 21,500 people in industrial research and development for a percentage of 0.09 of our population. Let us look at some other countries in Europe and the west. In Sweden, with a population of 8.3 million in 1977, they had more than 24,000 people involved in research and development in the industrial sector for a

percentage of 0.29. In Holland, with a population of 13.9 million people, they had more than 26,000 people involved for a percentage of 0.19. It goes on. France has a percentage of 0.23; West Germany has 0.32 per cent; Japan has 0.27 per cent, and the US has 0.18 per cent of the population involved in industrial research and development. In Canada, 0.09 per cent.

Mr. Grande: That is what you have done.

Mr. Wildman: Of course, some of those people in the US are Canadians who have moved to the United States because the resources have not been provided, through our universities for example, to enable them to find employment here in the fields they have chosen. So they have gone to the US. We, in some cases, are training people who are then carrying on research and development not only in universities in the US but in the head offices of multinational corporations that are operating in both countries.

Mr. Grande: And when you need them here you have shortages. That is incredible.

Mr. Jones: That is what this is all about.

Mr. Wildman: I know this is what it is about. There is no question about that. I agree there is a problem. Looking at some of the other figures, there is one West German company—

The Acting Speaker (Mr. Cousens): This is tied into the bill is it?

Mr. Wildman: Of course. The bill has to do with research and development. We are trying to encourage more research and development in Ontario and then, comparing our situation with a number of other countries, one has to look at the magnitude of the problem to see if this bill is actually going to do anything about it. I think we have to understand what the problem is before we can discern whether this is actually a solution.

In West Germany, as I was saying, one company has 30,000 employees involved in research and development. In all of Canada in 1977 we only had 21,000. In that one West German company they have 42 per cent more employees in industrial research and development than all of Canada. In the United States, IBM annually spends more on industrial research and development than the whole of our nation. That is only one company. The question is, is this bill going to turn that around?

The situation is so serious that we import most of our technology. In the past 10 years 94 per cent of all the patents granted in Canada went to foreigners. We are pretty low on the list.

In terms of our gross national product we are competing with countries like Iceland, Ireland and Turkey for being the lowest of all the western nations.

In section 17 of the bill, the government seems to indicate it thinks this bill is really going to turn things around, because in sections 17(3) and 17(4) it talks about the possibility this IDEA Corporation could be disbanded after three years. In other words, after the third annual report the corporation will be responsible for reporting to the minister whether the mandate of the corporation has been completed and whether the corporation should stay in existence. That is quite a statement.

I heard today in the emergency debate we had that the Treasurer complained about some of the statements made in this House about interest rates, that it would be ridiculous to say that problems which had developed over 15 years could get an immediate fix.

Mr. McClellan: His very words.

Mr. Wildman: That is what he said; it would be ridiculous to expect there could be an immediate fix. Putting that section in this bill seems to indicate that this government, in some cases, feels immediate fixes are possible. It is ludicrous from our point of view to suggest this IDEA Corporation is suddenly going to produce such a great expansion of research and development and technological innovation in Ontario that the whole thing could be terminated after three years.

This bill and the whole IDEA Corporation is typical of the gimmickry of this government. It is a tremendous election gimmick. It is an idea corporation. As my colleague the member for London Centre (Mr. Peterson) said, they must have somebody who works on acronyms. It is really a gimmick.

Mr. McClellan: What happens after three years?

Mr. Wildman: I do not know what happens after three years. The bill does not require the corporation be terminated after three years. I suppose whatever kind of publicity the government is getting from it will determine whether it is terminated. This really is carrying sunset legislation to the ultimate, ridiculous approach.

The government is completely unwilling to attack the root causes of our lag in the technological field. There is nothing in this bill to say how they are going to encourage the kind of research and development we need. Nowhere in

the bill does it say what financial resources are going to be given to this corporation. It does not say that anywhere.

We have no idea how much this corporation is going to have to invest, whether it is going to be \$650 million to equal the investment in Suncor or whether it is going to be something very small. Considering the hoopla this was given during that thing over at McDonald House before the election, I would think it must be more important than the kind of low key announcement that was made today.

Mr. McClellan: Maybe the parliamentary secretary will tell us what the budget is going to be.

Mr. Wildman: I would hope he would. Of course, this bill cannot approach the question of the branch plant economy and what it has done in terms of our technology. That would be opposed to the ideology. Excuse me, I correct myself. I wrote that down before I heard the announcement today. I suppose nothing is opposed to the ideology of the government over there. Perhaps it would be better to say they are so pragmatic they will do whatever they think will get them elected and this is part of the BILD program. Maybe they will do something, but there is nothing in this bill that says they will.

9:20 p.m.

As far as I am concerned this is really a motherhood thing, like most of the BILD programs. The problem is there is nothing in here one can really be opposed to because there is nothing in it. It says: "We are going to do all these wonderful things for innovation in Ontario. We will even be able, as a matter of fact, to take equity in companies," which is a move in the right direction after what they have done in terms of grants to the auto industry. That is a move in the right direction.

I suppose they listened to what we had to say during that debate, and said: "We will put in there that they can take equity. After all, we are taking shares in a major oil company; we can certainly put this in the bill." It does not say they are going to; it says they can get royalties, that they can purchase patents and so on. Again, though, it does not give any indication of how much money this corporation is going to have to do any of those things.

Mr. McClellan: The assistant is going to tell us though.

Mr. Wildman: I would hope he would.

I could accept all of this as just a testimony to the bankruptcy of the Conservative government

in terms of new ideas. That is what is so ironic about the name of this corporation. They are admitting, as did this Treasurer during his budget address, that their previous approaches in trying to encourage research and development have failed.

The Treasurer said last May the tax incentives that have been given by this government to the private sector in order to encourage it to get more involved in research and development have failed. He has predicted that if the rate continued there would be no way they would be able to reach the 1.5 per cent of the gross national product target set by the federal government. He admitted that. He said: "It hasn't worked. Tax incentives have not worked."

Of course they will not work in a branch plant economy. Even with tax incentives, it does not make it any more profitable for a major multinational in most cases to move a significant part of its research and development operation to Ontario or to Canada away from the head office where they have been centralized.

Unfortunately, during the budget address the Treasurer said, "Yes, it has not worked," but he had no other suggestions except to say that he felt the federal government should increase its tax incentives. He said the provincial tax incentives had not worked, but perhaps the federal government should increase its tax incentives.

In response to that failure to come up with any new ideas, they then bring us this IDEA Corporation, which is supposed to do something to encourage the private sector through grants, loans, purchasing equipment and whatever to get them to do what they have not done before, even in the sense of giving grants to the university community, which the private sector has not done before.

Mr. Jones: Oh, yes they do.

Mr. Wildman: They have, but not to—

Mr. Jones: Lots. I can list them.

Mr. Wildman: The parliamentary assistant himself has admitted that the universities in Ontario are not doing an adequate job in terms of providing the research and development and the new innovations we need.

Mr. Jones: No, I say we can help them do more.

Mr. McClellan: Tell us how much you are going to devote.

Mr. Cooke: Anything is more than this.

Mr. Jones: Lots.

The Acting Speaker: The member for Algoma has the floor. There will be an opportunity for you to make your comments.

Mr. Wildman: Certainly there have been grants to the university community. There is no question there have been, both from the private sector and the public sector. The point is, they have both been inadequate, and we have a report—my colleague will be discussing that later—from the Ministry of Colleges and Universities which is devastating in terms of the future of the university community.

I have one concern with regard to the thrust of this bill that I hope the parliamentary assistant can respond to. In his opening statement and in the compendium, the statements that were made at the time of the Board of Industrial Leadership and Development announcement, the whole thrust seemed to be towards encouraging research and development directly tied to technical innovations that would benefit the manufacturing sector. There is no question that we need that. But there does not seem to be any particular thrust towards pure scientific research as opposed to applied scientific research. I hope the parliamentary assistant will respond to that, because my colleagues will be dealing with this and there has been serious concern raised by the university community in that regard.

If this is a response to the suggestions made by the Council of Ontario Universities in February 1980, when it proposed the establishment of an Ontario research council, it does not sound like it. It does not sound like one that will be mainly or even significantly involved in pure scientific research. I hope the parliamentary assistant can respond to how he sees the relationship between technological innovation and pure scientific research that may or may not have a technological application in the immediate future.

As I said at the outset, it is hard to oppose this legislation, which says it is going to develop all kinds of things which we in this party and others have been saying for many years are necessary if the manufacturing sector of our economy is in any way to be able to compete, catch up and turn around what the Science Council of Canada, among others, has talked about as the deindustrialization of our economy.

Again I say we will support the legislation. I hope the parliamentary assistant will be able to respond to the questions of what the resources are actually going to be. I would also like him to respond to our main criticism that it does not deal with the major problem that has led to the

slowdown of research and development in our country and in this province in particular: foreign ownership.

Although the government says it is going to increase and encourage research and development in Canadian-owned firms, besides not giving any indication of the financial resources involved it does not seem to have made any requirements for Canadian employment, the employment of Canadian scientists, engineers and technicians.

Will the government be able to require job guarantees, or at least job projections, in the monitoring of professionals in Canadian and Ontario laboratories that might be developed or expanded as a result of investments by the IDEA Corporation, or are we going to continue, as we have in the past, handing out the taxpayers' dollars without any guarantees of that sort?

I do not think section 11 of the bill responds to that in any way. Obviously, we have to ensure not only that we are giving financial resources but also that we are first of all producing the professionals who are needed, and then that we are providing them with opportunities for jobs in their fields so that we can encourage them to stay in this province and in this country so that we will have a future.

I hope the parliamentary assistant, in extolling the virtues of this bill, will be able to answer those criticisms and important questions in terms of the financial and human resources that might be applied by the corporation.

9:30 p.m.

Mr. Wrye: Mr. Speaker, I wanted to take a few minutes to join the debate on second reading of this legislation because of the important role that research and development could have in providing a regeneration to the university system. That is what this bill fails to address.

I was struck by the comments of the previous speaker that the whole idea of the IDEA Corporation was so much gimmickry. I suppose the second we saw the name IDEA Corporation we should have realized it really was so much sound and fury.

For those who really do not know what IDEA stands for—and I do not think anybody will ever be able to memorize it; I have to keep referring to the notes here—it is the Innovation Development for Employment Advancement Corporation. It is even hard to say. But I guess it says that to this government, nifty, neat names are much more important than having a bill and setting in place a corporation which would have

some teeth and which would have some money and which would provide some direction for the much needed research and development that would at least give the province a chance to come back in the 1980s.

In reading the final report of the committee on the future role of universities in Ontario, I was drawn to the fact that very early on, right on page two, the committee says, "To put it bluntly, neither BILD nor IDEA will be successful unless the universities, which provide the base for innovations, technology and development, are maintained."

As the parliamentary assistant knows, the report goes on to discuss the levels of funding needed for such maintenance. Yet we certainly have not had any statement from the government that we are going to get such maintenance. Indeed, we have not had any statement yet from the minister during second reading tonight—I hope he will eventually give us one—that there will be proper funding and proper seed money for the IDEA Corporation.

I wanted to discuss very briefly a couple of the other matters that were contained in the preliminary report and again in the final report of the Fisher committee. I think what stands out is the real deterioration of services in the research area at the universities. I will quote from the first report of the committee. In terms of just the physical ability to conduct research, it says:

"In the latter part of the 1970s, the research capacity of Ontario's universities diminished. The stock of research equipment acquired in the 1960s as part of the capital expansion is rapidly becoming worn out or obsolete. Although no accurate estimate can be made of replacement cost, the maintenance of state-of-the-art research capability could require \$25 million annually over and above the current levels of expenditure."

I offer that brief comment from the report, and I draw section 10(2)(d) to the parliamentary assistant's attention. In that, it states that one of the powers of the IDEA Corporation will be to promote and improve the capacity of universities to respond to the skill requirements of high-technology industries. It seems to me that the universities, as starved as they are for funds, are in no position to join in the partnership with industry and government that is proposed in this or any other legislation. It is all that many of the universities in our system can do to stay afloat, let alone play any role in partnership in either applied research or basic research.

I am drawn again to the final report of the

Fisher committee, which points out that basic research has played a very important role in recent years. It proposes that the IDEA Corporation should be providing funding for basic research as well as for applied research and development.

I am also drawn by a comment that one of my colleagues made. I might note it for the other member of my party who is here as well as for the members of the New Democratic Party; I am sure the government members know it full well. In section 4(6) of the bill under "board of directors," there seems to be the implication that somewhere along the line another Tory is going to get an appointment, for right here in the bill it says—

Mr. Cooke: How many members?

Mr. Wrye: At least one, perhaps more. I understand there are still seven without any extra funding, and perhaps they intend to lower that number, because it says:

"Notwithstanding anything in the Legislative Assembly Act, a member of the assembly who is appointed a member of the board is not thereby rendered ineligible as a member of the assembly or disqualified from sitting and voting in the assembly."

Apparently, the government has as one of its purposes the appointment of some of its backbenchers to the board of directors of the IDEA Corporation.

In summation, I just want to say that, given the very great needs we have in this province, it is a very disappointing response on behalf of the government; but given the very nature of the Board of Industrial Leadership and Development program, which really was so much gimmickry, I suppose this IDEA Corporation just forms an integral part of the gimmickry.

Mr. Cooke: Mr. Speaker, I want to make a few comments. I would like to repeat some of the things that my colleague said, because they bear repeating. We think so much alike that—

Mr. Wrye: He stole them.

Mr. Cooke: That is about the bottom line. But I do want to make a few comments about this bill in my capacity as Industry and Tourism critic for the party.

It is kind of ironic that, after years and years of complaining and pointing out the problems of lack of research and development in this province by my party, the government finally has responded, the government finally at least has recognized that there is a problem. They have brought forward this bill, Bill 47, which my

colleague the member for Algoma has pointed out is really a name of a bill and that is about it. What it is going to do, I do not really know. The principles behind it are good, but the practical results of the bill I question very seriously.

Research and development is incredibly important to the future of our economy. One of the major manufacturing industries in this province, the automobile industry, shows what lack of research and development means to the future of an industry.

For example, in Japan they have been spending between four and five per cent of gross sales on research and development. We all know how far ahead in many respects the Japanese automobile industry is of the North American automobile industry.

In North America, we have been spending 1.5 per cent to two per cent of gross sales. Many of the corporations, such as General Motors, are diversified into many other fields; so that 1.5 per cent to two per cent includes all the other areas that they are involved in.

The Treasury study on the automobile industry, that confidential study the Treasurer did not want to release but was forced to when there was minority government, indicated very clearly that the automobile industry falls far behind Japan, as I said. But it further showed that what is happening to the Canadian automobile industry is that the multinationals do virtually no research and development whatsoever. They do export about \$250 million a year to the United States for research and development. That is over and above the trade deficit that exists under the Canada-US auto pact; it has gone as high as \$4 billion in past years and this year is running already at well over \$2 billion.

There is virtually no research and development done in the automobile industry. I think that holds true for most of the multinationals that have branch plants in this province.

9:40 p.m.

My colleague the member for Algoma pointed out that Canada has an extremely poor record in research and development. As a percentage of our gross national product, we are 0.09 per cent, while Sweden is running at 0.29 per cent, France is at 0.23 per cent, the Japanese are at 0.27 per cent, and West Germany is at 0.32 per cent. All those countries are performing very well in their economies. Their standards of living now exceed that of Canada. Canada now ranks thirteenth, well behind most of the western industrialized nations.

It seems to me this bill does nothing to really

correct the basic structural problems that have led to the lack of research and development being done in this country. I do not think this government recognizes or understands—or it refuses to admit—that the real problem of the lack of research and development in this country and in this province has to do with ownership of our economy. There is no way to convince a branch plant to do research and development in the province unless there is legislation making it mandatory.

We can give them some tax advantages. We can give them outright grants. We can do whatever we want to try to bribe them into doing research and development in the province. But the only way it is going to get done, and the only way this economy will benefit from that research and development, is to mandate them to do so and to mandate them to perform a whole range of activities in this province to make sure we get our fair share of the total picture of those corporations. It is only right to make them act as good corporate citizens, since their past performance indicates they have not done so on their own.

I do not see any provision in the bill that will guarantee we are going to get the jobs that result from the research and development. Are we going to see what happens in some of the multinationals where they simply fly their engineers and scientists into Ontario for a day or two to do a little bit of research and development and then fly them back to Detroit, Chicago, New York or wherever the headquarters of the corporation is? Are those the kinds of guarantees we are looking at, that they simply do some research and development here to qualify for a grant? Or are we going to have a serious commitment to research and development?

It seems to me we should be going into partnership with Canadian-owned corporations to develop ideas that are unique to our province and to our country that will eventually result in innovations that are, first of all, marketable in Ontario and in Canada. Perhaps we will also have a world market, but we should be concentrating on Canadian-owned companies. The multinationals have the money and the expertise, and all we need to do is legislate them to do the research and development in the province that they owe us from years and years of neglect.

I really wonder what the province's commitment is, even in the last decade. If we look at what the provincial government has done to funding our universities, 10 years of underfunding have meant their research capacity has been

severely undermined. Much of our scientific staff has moved to the west and to the United States. Our equipment has become outdated, because the provincial government has made no kind of commitment of capital to reinvest in the universities and to re-equip them with modern equipment. As a result, there is a real question whether the universities could even respond to any serious commitment on the part of this government to research and development.

In short, I look at this piece of legislation as window-dressing, and not as a serious commitment to research and development in the province. When we take a look at it after the corporation has been in effect for three years, we are going to see it has been a dismal failure, it will not have accomplished any of the things the parliamentary assistant says it will accomplish, and we will be in the same crisis as we have been for a number of years.

In terms of the future of our Canadian-owned manufacturing industries and in new areas like microelectronics, new areas that are emerging in the auto industry, it simply means we are not going to be world competitive and we are not going to develop Canadian technology and corporations; we are simply going to continue to rely on the importation of technology and more foreign domination of our economy.

Mr. Martel: Mr. Speaker, in entering this debate, I want to go back to 1967, if I might, because that was the election when the government of Ontario created the Ontario Development Corporation (ODC); Robarts was going to bring this province into the manufacturing era. Then we moved to the Northern Ontario Development Corporation (NODC), and I do not know how many DCs we looked at. Then there were a variety of giveaway programs that ultimately John White killed a number of years after those endeavours were made.

I am just going to digress before my friend the member for Sault Ste. Marie (Mr. Ramsay) leaves, in the event he does leave. I well recall the by-election in 1979, when we were up in Sault Ste. Marie, and I heard the member saying: "Look at your resources. If you elect the Socialist horde, the resources will be controlled by the bureaucrats in Toronto"—not the American ones, but the ones in Toronto. Today the Socialist horde on that side of the House bought a chunk of Sunoco.

I do not know how the minister can sit in his seat with that sort of development from that side of the House. He must have pangs, because the bureaucrats at Queen's Park will be having

something to say about Sunoco. I find it strange that he has changed positions. I am delighted to have him with us. It is nice to see progress being made—slowly but surely, it is being made.

I want to go back to 1971, because the Premier—he became Premier that year—established a select committee to look into economic and cultural nationalism. There were 21 reports from that select committee. The Minister of Correctional Services (Mr. Leluk) served on that particular select committee. We had a great deal to say about R and D, and my friend recalls it.

It is now 10 years later, and in another election we get this dinky program. I hope it works, but I do not think it will, because when we were on the select committee—and the parliamentary assistant might talk to the Minister of Correctional Services about this—we visited some of the companies that had R and D, and we had to go to the United States to visit them, like Philco-Ford.

Does the minister remember talking to the companies and suggesting to them they might do some of the research in Canada? What did they tell us? They said, "No." They said, "We have to get all our scientists in one community together."

Mr. Jones: They don't do that any more.

Mr. Martel: They don't, eh? I want to tell the member that we got the good news from Philco-Ford that it was not prepared to do any of its R and D in Canada. I think we met with a company by the name of Honeywell at that time too. My friend the Speaker might know something about that company. I wonder how much pure research it is doing in Canada. Maybe the Speaker can tell me, after he tells me how much they are doing and how much of it will stay here in Canada, the benefits of that research.

9:50 p.m.

But nothing has changed. There were 21 reports from the select committee. They all advocated some of the things we should be doing to redress the structural weaknesses in our economy. There have been reports coming out of our ears on the problem, and we are not dealing with it sensibly, because the minister responsible for the development of industry continues to run around trying to entice multinationals into Canada and into Ontario in particular. That is at the core of the weakness of our economic difficulty.

We are going to do research and development; and if we do not have Canadian corpora-

tions that are prepared to spend their money here, to do the R and D here and take the development that occurs and manufacture it here, we will have nothing.

We looked in the last select committee—which we did not, by the way, write a report on—at a company from Peterborough. Outboard Marine Corporation of Canada perfected a way in which to resolve one of the problems they have had with respect to one of their outboard motors. Do you know what they did with it? They picked it up lock, stock and barrel and moved it to the United States, because that is what happens in the real world.

The Science Council of Canada, in its many reports spelling out why we are in such trouble, indicates that we have almost a total reliance on multinational corporations and the exploitation of raw material. Our friend the Minister of Industry and Tourism (Mr. Grossman) runs around here, and he has got a new one going called global product mandating. It is still multinationals that he is trying to entice into Ontario, and it will just aggravate the problem.

Let me give the members an example. Canada stands third in the production of mineral resources in the world. It imports more mining equipment than any other country in the world. Canada has a large enough economy in the mining sector to have a high-technology content in mining equipment, and up to this time we have a trade deficit of \$1 billion annually.

We recommended in 1974, I say to my friend who says it is not part of the bill—it was signed by my friend the Minister of Correctional Services, the Minister of Consumer and Commercial Relations (Mr. Walker) and the parliamentary assistant to the Minister of Education (Mr. Kennedy)—that “policies should be developed to improve the performance of mining machinery and equipment firms in terms of export, research and development and increasing Canadian value added.” It says “research,” and from that research we might derive some benefits. But, unfortunately, if you do not have Canadian firms in the field the potential is not there for deriving the benefits from R and D. Surely the member must realize that.

Or he might want to take a look at another report from the same committee, called “Capital Markets, Foreign Ownership and Economic Development.” They recommend a variety of moves to entice Canadian business and get R and D in Canada. But it is one of the problems, if he has read the Gray report, of the truncated—whatever term one wants to use—industry that

abounds in this province, namely, that it is just end-run; it is here primarily to get across the borders, to beat the tariff. It does not do R and D, and it does not do a whole host of things, and we pay heavily for the services it brings here.

In fact, my colleague mentioned bringing in an engineer for a couple of days. When we did the study in 1975, we imported 10,000 engineering jobs a year—as if we do not have qualified engineers to do the work in this country, we must import them.

Let me get back to the mining equipment. We are the third largest producer of mineral wealth in the world. We import more mining equipment than any other country in the world, and we have a trade deficit of \$1 billion. There are things coming that we are going to establish in Sudbury. I guess they go before cabinet maybe tomorrow, to talk about some funding for that august little body the government is going to create to try to study the possibility of doing some R and D in the Sudbury area.

Hon. Mr. Pope: They are also going to study the food terminal.

Mr. Martel: No, not at all. I say to my friend the minister, he missed my comment. I managed to get that written in a report in 1974. We also put in a report, when we studied the Inco layoffs in 1978, the necessity for mining equipment to be produced in northern Ontario, and we are finally going to get somebody to look at it. It has only taken us 10 years. That is progress.

Mr. Newman: He is only going to look, though.

Mr. Martel: Well, I hope we will get more tangible benefits than just a little R and D and some consorting at certain parties.

Mr. Wildman: You might get a food terminal.

Mr. Martel: No, that is going to Timmins. It has been a while coming—since 1977, I guess. They opened one up last fall in Timmins, but it was the local LCBO. It had nothing to do with food, but it was a terminal.

Until we are prepared to grapple with the problems confronting not only Ontario but also Canada, we are going to be destined to the same type of economy 25 years down the road. Before the Gray report of 1967 or 1968, we had the Watkins report; and since then there has been the Science Council of Canada report. There has also been the Senate report. There were 21 reports from the select committee of which the member for York West (Mr. Leluk) was a member. There were innumerable other reports and there was the select committee report that

did not get written. And we are still standing around talking about developing something that is going to encourage.

I look at universities and I worry. We got into the problem of university faculties being Canadian because of funding for post-doctoral work. With the cutbacks we are experiencing, I do not see that problem being overcome in the very near future. In fact, if we read today's newspaper, it tells us what we are getting in terms of skilled labour out of the universities, and there is a paucity there—skilled in terms of the things we are going to need to carry on. Shall I run and get the *Star* so I can read it to the minister? I really want to have the right terminology so I will not offend her ears. To have to think of somebody coming out of university as a skilled labourer would be a blow to the people who graduate from those great institutions.

Again, the select committee knew that unless we pump a lot of money into post-doctoral work, we are not going to have the skilled people at universities to do the R and D that is necessary, and we will eventually end up somewhere down the road with a lack of personnel to carry on in the universities, which created the problem in the first place of adequate university graduate professors and so on, who were Canadian.

10 p.m.

So we have this window-dressing in the midst of an election. We had the window-dressing in 1967 with John Robarts. He brought in the ODC and everything down the road. Now we even see the Ontario Economic Council; I read recently that they are being wiped out for some reason. John Smith lives again. I think he called them raving Socialists, and the Premier (Mr. Davis) had to take John aside, whisper in his ear and have some of his speeches vetted. Now we have the Treasurer (Mr. F. S. Miller), who has wiped it out totally. It was the one body that had some credibility with people in the province in terms of what was going on here economically. Well, what the government does is get rid of them.

We saw the structural weaknesses again last winter. Those of us who sat on the select committee—and my friend the member for Sault Ste. Marie (Mr. Ramsay) was there—found out that the type of structural weaknesses we have will lead to ever greater problems. With the recent General Agreement on Tariffs and Trade signed by the feds, I know that the staff of the Ministry of Industry and Tourism is looking at some 2,000 companies over the next four or five years that are going to shut their doors and

go home, because the tariff barrier will no longer be sufficient to keep them operating in Ontario. I ask my friend the parliamentary assistant: If we should lose 2,000 companies, what is this program going to do?

That is why the Premier established a select committee in 1971. He did not act on any of the reports save, I think, one. He put on that 50 per cent of the board of directors had to be Canadian. That was farther, by the way, than most of the members of the select committee wanted to go in those days. I think the seven Tories insisted we could go to 20 per cent, but the Premier outdid them and went to 50 per cent, and it did not mean a hill of beans.

For window dressing, the government has it down to an art. That was really going to resolve the problems of Ontario when 50 per cent of the board of directors was going to be Canadian. Man, what that was going to do! As we look at last year through the Ministry of Labour and we see the exodus of companies just pulling up stakes and going home, one scratches one's head wondering why we do not finish the select committee report on plant shutdowns.

On the basis of the material right from the Ministry of Industry and Tourism, we are looking at the possibility of 2,000 companies going home, and we are going to have the IDEA Corporation to take its place. That is going to do a lot for us. With IDEA in place, we are safe; we have got it made.

What is it going to achieve? Very little, I suspect, unless the province is prepared to spend more than it has been spending on economic development and unless it is prepared to encourage Canadian economic development—not what the Minister of Industry and Tourism is doing, running after global product mandating, which is enticing more multinationals into Ontario and creating more branch plants that can shut their doors whenever it is time to go home, despite the fact that many of them, as the select committee saw last winter, were making very good profits. But they decided it was a little more profitable to make an end run or put another shift on in a plant in the United States and produce even more.

The irony for those of us who sat on that committee was that frequently the Canadian management was not even called in to discuss it; they were just told it is shutting down.

One only has to look at Essex. They had two plants in the Windsor area that were profitable for 40 years. Then old Alexander Haig thought it was time they went home; so they went home.

One can look at a whole raft of corporations that did it last winter. Under the present circumstances with the General Agreement on Tariffs and Trade that is going to continue, but at an even accelerated rate because there is nothing to keep them here. That is what the federal government will not deal with; that is what the Ontario government will not deal with.

Maybe what the government did today is part of the solution. We Socialists would say it is—that the government buys a chunk of the action and therefore has some say. I would only hope we could get as enthusiastic on the resource sector and keep it all here. In fact, we should insist that we not only mine it all here but refine it all. If the minister wants, I would be more than delighted to support him in eliminating section 113 of the Mining Act.

For openers, if the minister wants to convince me he is sincere, there is where we could immediately move in and guarantee jobs. Falconbridge in 50 years has yet to refine a pound of nickel in Ontario or Canada. The government wants to get serious? Revoke section 113 of the Mining Act. We could create 2,000 jobs just refining the stuff from Falconbridge alone. Then we could talk about—what is that silver mine up there the government is having some trouble with; the one now trying to force the government into giving a further extension of section 113 so it can continue to refine silver off in Hoboken some place?

If the government is serious about wanting to create an economy they should do it using our resources here, and not indulge in a lot of window dressing. We should get tough and say it is ours. That is where one starts the whole process from—not a lot of flim-flam, not a lot of window dressing that is not going to create much out of 12 people on the board of directors. It gets the odd success, but it is not going to resolve the economic weakness facing Ontario. Until the government is prepared to get serious and rectify the economic weakness we are doomed forever.

The parliamentary assistant might take home tonight a book by Professor John N. H. Britton, just out within the last year, called *The Weakest Link*. I recommend it for bedtime reading. It would do him good. He might buy a copy for all of his colleagues who are not convinced there are very serious structural weaknesses which this bill will not remedy. It cannot as long as our economy is dominated primarily by one country, the United States. The government better grow up to it, and the sooner the better.

I am trying to get the attention of my colleague the member for Riverdale (Mr. Renwick) to let him know I am about to wind down and resume my seat.

I would hope the parliamentary assistant would read that book. I would hope he would go back tomorrow to the cabinet—maybe the Provincial Secretary for Resources Development (Mr. Ramsay) will do it—and say, “We had to write that report on plant shutdowns because it was dealing with the structural weaknesses in this economy and methods whereby this would not occur.”

I think the problem was that the Premier was getting too much feedback. I give the member for Sault Ste. Marie some credit; he showed a genuine concern for what was happening to working people in this province. I know he and I were on the same wavelength on a number of items which would have been difficult for the government to ignore.

Those were two things. I hope the minister will do one, and I hope the parliamentary assistant will do one. For the third time, to try and drive it home, we must get at the structural weaknesses in our economy. The government can window dress until hell freezes over. In 1969 we created the Ontario Development Corporation which was going to resolve the problems and it did not.

Ten years from now we will be back here debating yet another bit of window dressing, which will not resolve the problems until they are prepared to deal with the root problem, and that is the branch plant economy.

The member should think about it. He should think about it, and try to impress on some of his cabinet colleagues that is the direction we should be going and not this junky method.

10:10 p.m.

Mr. Grande: Mr. Speaker, I am going to be very brief but I hope that in the parliamentary assistant's response he will give us certain information which is crucial to this bill.

If the information that we get on the particular topics I am going to talk about sounds reasonable, then I would say this particular IDEA Corporation might have a chance. What the member from Sudbury East was talking about is real. He is talking about the fundamental problems of the economy. He is not talking just about some idea that they somehow put forward as an election promise, although it has its roots, I must say to them, it has its roots. The university sector has been talking to them for at

least two or three years about setting up an Ontario research council and I guess the IDEA Corporation comes out of that.

Let me succinctly put the problems, or at least the questions, that the parliamentary assistant, when he gets up in a few minutes, must address. As I say, those answers will tell us whether they are serious about this, or whether the IDEA Corporation is going to be nothing else but a sham.

I want to say that no one in Ontario had heard about the IDEA Corporation prior to the March election platform. As a matter of fact, the member from the Liberal Party was talking about this report to the committee on the future role of universities, and this report came down in August of this year. It is a very recent report. Some of the comments it makes about the IDEA Corporation certainly do not give me or anybody else on this side of the House any credence that what they are talking about is going to be any serious kind of intervention.

I just want to quote from page 23, where it says that "all the foregoing presents great uncertainty." They talk about funding and they talk about inflation and what it does to underfund the university system. "All the foregoing presents great uncertainty. Uncertainty about government funding levels is inevitable given the unknowns of the inflation levels and rates of real economic growth."

There is also some uncertainty about the scope of the IDEA Corporation. These people are not strangers to the government setup and to the government hierarchy. Two of those people happen to be at the very top. One is the Deputy Minister of Education and Colleges and Universities and the other is the Assistant Deputy Minister of Colleges and Universities, and they do not know what this IDEA Corporation is about, or at least they are uncertain about the IDEA Corporation.

I want to quote another passage here, and this is on page 33 of that same report: "According to the bill incorporating the IDEA Corporation, this new agency which will report to the Treasurer will have important roles both in university research and in the training of manpower in high technology. Independent initiative on the part of the IDEA Corporation could risk distorting university missions."

I was saying before that the universities in this province, for at least the last four or five years, have been badly underfunded, and I am glad the Minister of Colleges and Universities (Miss Stephenson) is here. As to that, we will have

more to talk about on Monday when the estimates begin. But the fact is this report comes down in a clear way and says either fund the universities or shut down the system which was built in the 1960s. That is an indictment of this government. That is what this report is all about.

Hon. Miss Stephenson: That is not what it says. Read the report.

Mr. Grande: Oh, I have read the report.

Hon. Miss Stephenson: That is not what it says. Read it correctly.

Mr. Grande: I have read it very carefully. The minister is the one who does not like to make any comments on this report.

In effect, what I am saying to the parliamentary assistant is that these people who are deputy ministers, assistant deputy ministers and business men of this province do not know what the scope of the IDEA Corporation is all about. All they know is it was an election platform. All they know is there is a BILD.

I do not think anyone can disagree with the statements the parliamentary assistant made in terms of the objectives of this IDEA Corporation. I think they are nothing but motherhood statements. They are statements anyone from either side of this House could make. Anyone could make those statements and feel that, through those particular objectives, great accomplishments will be made.

I have the bill here in front of me. It says in section 10(1)(a) the objects of the corporation are to "promote the process of technological innovation in Ontario, both on a province-wide and a regional basis." Who does not want that to happen?

In section 10(1)(b) it says, "bring together the research capacities of the public sector with the commercial and industrial sector." It is about time that happened.

In section 10(1)(c) it says, "enhance the growth and employment prospects of the Ontario economy, both on a province-wide and a regional basis." What is so new about that?

Mr. Jones: The fact that it is in the bill. You guys go on and on.

Mr. Grande: Oh, come on, the fact that it is in a bill. The fact there are bills for each university in this province does not mean that at the universities there has been funding for the research that should be going on in those universities. Forget about the research. The ministry has not even kept up in terms of making

sure that the laboratory facilities and the equipment used in those universities are updated.

In effect, there was great potential in those universities 10 years ago. Right now, this report says we will have to spend over \$25 million a year to update those facilities and those laboratories. These facilities have been allowed to run down over the past few years and now, is this IDEA Corporation going to do it?

I have three or four questions I think the parliamentary assistant should answer. One is, he says in the bill between five and 15 people are going to sit on this board of directors. I want to know who these people are. I want to have an idea who the chairman of this corporation is going to be. By knowing that individual, we already know whether that particular individual has done anything in the past. In other words, does this individual have credibility with this government?

I suspect, and I could be wrong, this individual in the last three or four years has not been listened to once by this government. I am not going to give the name of this individual. I want the parliamentary assistant to tell me who he is.

10:20 p.m.

Next, I want to know why in this bill there is not an effective secretariat established and why there is not one cent put into it—at least in terms of money we know is going to be put into that bill—so that an effective secretariat could be established and so that good research staff and economists could be hired. After all, if this particular IDEA Corporation is going to fulfil what they want it to fulfil, there had better be first-class people on that corporation.

This corporation is going to do pilot programs and demonstrations, et cetera. Where is the money for it? How much is the parliamentary assistant talking about? Is he talking about \$5 million, \$10 million, \$50 million? He should just say something, put it on the record, so that we know this corporation is not an empty promise, not a promise that comes out of the election campaign so he is on record as saying, “We have fulfilled our campaign promise.” I do not think the people of this province will allow the parliamentary assistant to do that. I certainly will not allow him to do that.

One other question which I think the parliamentary assistant should be answering, along with the three that I have just cited, is in terms of the industrial secrecy of companies. The private sector seems to be jealously guarding its research

from anyone. I just want the parliamentary assistant to tell me how that problem is going to be solved by this corporation.

If the universities are going to be in this and their facilities are going to be used and their researchers are going to be used, how is a company going to protect this industrial secrecy in terms of its own particular research? What is he going to say? Will he say, in effect, “No, you should not have industrial secrets from your competitors”?

Let me just suggest to the parliamentary assistant that the IDEA Corporation, provided that he answers these questions just put before him, might be given a chance to work—might. If, when he gets up right now, he does not have any clear answer to those questions, I think as I stated before, this organization, this corporation is nothing but a sham, it is nothing but an illusion. It is nothing but the parliamentary assistant taking the people of this province, once again, for a ride as he did in March.

Mr. Jones: Mr. Speaker, I will be very brief, if I may. The opposition have said that they support the bill in principle and I thank them for their comments. However, given the member for Oakwood’s comments, such as sham and some of those, and his questions that to some extent were an echo of questions of other members of the New Democratic Party, I would just like quickly to touch on a couple of those.

First, I do not think it is appropriate that we should be talking specific dollars when we are processing the bill under second reading and when the member knows full well—or he ought to know—that IDEA Corporation is under the BILD program, and that of course is a committee of cabinet. He knows also the commitment that this government has made and it is part of a five-year program of \$1.5 billion. That is hardly, as the member has tried to suggest, something less than a total commitment and certainly not something that he could pretend was some kind of a sham.

Certainly the government recognizes that research and development is an expensive proposition. It brings this bill forward fully recognizing that. However, some of the questions the member for Oakwood was asking, such as “Why not a secretariat?” would be answered if he just reflected for a moment and reminded himself that the IDEA Corporation is part of the BILD overall industrial strategy program and under a special committee of this government.

As to some of the comments raised by the members, I am happy that the member for

Sudbury East (Mr. Martel) acknowledges the participation and insistence over the years by members of this government, some of whom are members of cabinet these days, when he talks about the select committee and some of the contributions it has made over the years towards bringing it into this next phase where the IDEA Corporation will join the private sector, will join our university institutions, and see the IDEA as outlined, the IDEA principles brought forward to add the new employment in the new age of the 1980s.

I think the members already know the answers to most of the questions they asked. We will have an opportunity to deal with any of them in committee. We can be specific for them if it will be helpful. You will recall at the outset of my remarks, Mr. Speaker, I said there were a few amendments and I would ask the House to give us leave to bring them to committee. We have to defer it today as we have not had an opportunity to complete them, but we are anxious to move with urgency as soon as House time permits in the next few days. We propose to go to committee of the whole, and at that time we will have an opportunity to present the amendments that are in final draft at this stage.

Motion agreed to.

Ordered for committee of the whole House.

RACING COMMISSION AMENDMENT ACT

Mr. Mitchell, in the absence of Hon. Mr. Walker, moved second reading of Bill 22, An Act to amend the Racing Commission Act.

Mr. Mitchell: Mr. Speaker, I will save any comments until the other two parties have had an opportunity to speak. The bill is very simple. It merely repeals one section and makes up for an omission.

Mr. Nixon: Mr. Speaker, I did not know you were going to proceed with the bill just at this

moment, but it seems to me it simply removes any proscriptions from the appointment of certain people to the racing commission. I did not know the government was really very badly troubled about those appointments since the only real requirement seemed to be that a person was a good, bona fide, long-serving Tory.

Some of the members applauding are looking for that sort of preferment in the future, but I often feel if the government were to appoint some people to the racing commission who had a little less respect for the Ontario Jockey Club and a little more respect for the farmers in the back concessions who want to take part in the racing business, it might be better for all concerned.

Frankly, I like to attend the events sponsored by the jockey club. They are among the classiest ones, not only in the province, but in the country, maybe even on the continent. The jockey club has done a good deal for the racing enterprise in this province, but I sometimes feel it is carried too far when the minister responsible for the racing commission has his name in a parking place out at one of the operations of the jockey club. It seems like a commitment, but it goes too far. I just heard this. I do not attend these jockey club locations all the time. Ray Connell's racetrack down in the township of Flamboro suits me, and I think one probably gets as good a deal there as anywhere else, both as a farmer and as a person going to enjoy the races, but I really feel that any restrictions—

Mr. Speaker: I draw the member's attention to the clock.

Mr. Nixon: Oh, well, I move the adjournment of the debate. I thought you wanted to go forward with this.

The House adjourned at 10:31 p.m.

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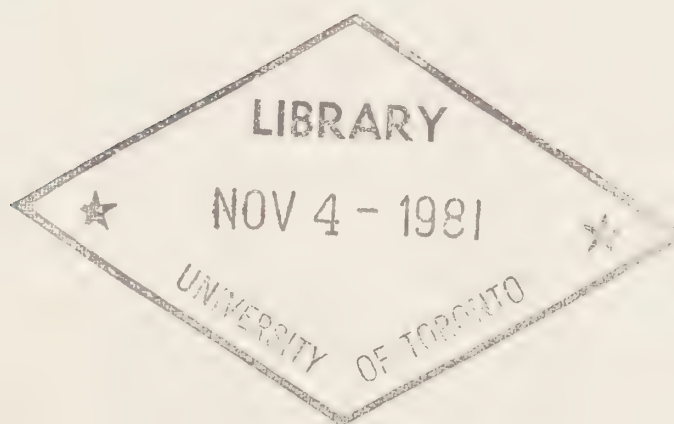


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Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

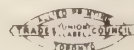
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LEGISLATURE OF ONTARIO

Thursday, October 15, 1981

The House met at 2:02 p.m.

Prayers.

ONTARIO ENERGY INVESTMENT

Mr. Nixon: Mr. Speaker, on a point of order: I wonder if you could report to the House the results of your investigation with the Premier (Mr. Davis) or the Premier's office on the lack of the tabling of a compendium in support of his statement on Tuesday of the government's intention to purchase 25 per cent of Suncor Incorporated with \$650 million of our funds.

I know, sir, you are aware of the rule in this House, standing order 26(c), that calls for the tabling of such a compendium after a statement from the ministry. This is one of special importance, since other members of the House will surely be called on not only to respond with their own views but also to be able to prepare an opinion based on the facts that were available to the government as they moved to a decision.

It is extremely important in this instance as well as in others that the rules be followed, and you undertook to investigate that. Two days have now gone by, and we anxiously await the tabling of a compendium of the information that led the Premier and at least some of his colleagues to come to the conclusion that that course of action was proper.

Mr. Speaker: I have to tell the member for Brant-Oxford-Norfolk (Mr. Nixon) that I do not have that information as yet. However, as soon as I do have it, it will be made available.

CONSTITUENCY OFFICES

Mr. Roy: Mr. Speaker, I rise on a point of privilege dealing with your memorandum to the members of the Legislature, dated September 22, 1981, and dealing with constituency offices. I congratulate you for having forwarded this memo to all the members. It is an issue that I had raised back in February 1981.

I read from your memo that you are suggesting that all activities in relation to constituency offices should be strictly nonpartisan. Then you go on to talk about constituency office signs. One of the things you say is that the sign must not display the name of a political party.

This memo came out on September 22, 1981, and I know you have had correspondence with some members in relation to the application of this memo. It was suggested in some of your correspondence that the purpose of the memo was especially to advise new members to make sure not to have any party association or party activity related to the constituency office.

It has come to my attention that one senior member in this House—and who would you guess it would be, of all the members in this House?—the member for Ottawa South (Mr. Bennett), still has a billboard up on Bank Street, one of the main streets in Ottawa, next to Lansdowne Park. I will send you a photo of the billboard, which clearly reads: "Claude Bennett, MPP, Ottawa South, PC"—with the PC logo in large letters—"Constituency Office." And then it gives the phone number.

In my opinion, this act by a senior member of the government, and he is certainly a senior member in the House, is a clear breach of the guidelines of the Board of Internal Economy. I trust that you will give the message to the member for Ottawa South, and give it very clearly; possibly the most effective way of doing it would be to send him a notice with his first cheque for accommodation allowance for his luxurious home in Toronto.

Mr. Speaker: I thank the member for Ottawa East for drawing this matter to my attention.

Ms. Copps: Mr. Speaker, can I ask speak on the same point of order?

Mr. Speaker: I think it has been dealt with. Do you have a specific matter?

Ms. Copps: I have a specific point of order regarding another minister.

Mr. Speaker: The member for Hamilton Centre with a point of order.

Ms. Copps: Mr. Speaker, on the same point of order raised by the member for Ottawa East: I would like to bring to the attention of the Speaker that he might also contact the Minister of Industry and Tourism (Mr. Grossman) and advise him that his constituency office is not the office of the government, as has been translated in Portuguese and several other languages. In fact, his is a constituency office, which is duly

translatable in Portuguese, Chinese and other languages.

If you go and take a look at his constituency office, you will see that he calls it the office of the "governo," which it is not, and I would like to advise the Speaker that that also should be altered.

Mr. Speaker: I thank the member for Hamilton Centre for drawing this matter to my attention.

STATEMENTS BY THE MINISTRY

ENERGY EXPLORATION

Hon. Mr. Welch: Mr. Speaker, yesterday the Ontario Energy Corporation announced its intention to explore for oil and gas offshore in Hudson Bay. Today I would like to provide the members of the Legislative Assembly with a few details of the agreement.

Under the terms of an exploration agreement issued by the federal Department of Energy, Mines and Resources, the Ontario Energy Resources Limited, a subsidiary of the Ontario Energy Corporation, and two other partners, Canadian Occidental Petroleum Limited and Sogepet Limited, have undertaken a five-year seismic and possible drilling program offshore in Hudson Bay. The first 18-month seismic program will begin next summer at an initial cost of \$7.6 million. The total project could involve expenditures of up to \$50 million in 1981 dollars. The partners to the joint venture each hold a 33.3 per cent interest.

The area to be explored is enormous—72 million acres—and is as large as the North and Baltic Seas combined. In fact, it is believed to be the largest single exploratory parcel of land ever granted in Canada.

This is Canada's best-situated offshore frontier area in a logistic sense. The exploration area is very accessible and a favourable site for exploration or drilling. Ice conditions are seasonal. The average water depth is only 600 feet.

2:10 p.m.

The region is accessible by two railway systems and a seasonally functioning deepsea harbour with a sea route to the North Atlantic. South coast ports for any offshore fluid hydrocarbon production would be within 600 miles by pipeline distance to Lake Superior ports and approximately 1,000 miles to Toronto. Any significant finds made in Hudson Bay would offer considerable comparative advantages in terms of shorter development time and delivery to market time, and for lower capital costs than the other offshore frontiers in Canada.

Extensive geological and geophysical work already has been conducted in the bay, and geological evidence suggests that the hydrocarbon reserves could be substantial. The Ontario Energy Corporation and its partners, however, do not expect to begin drilling until the fifth year of activity.

In terms of job creation, only a few people will be employed during the initial seismic surveys as the manpower requirements are minimal. With encouraging seismic results, however, the fifth year will see a takeoff in manpower requirements as wells are drilled and onshore services are required.

The exploration licence issued by the federal Department of Energy, Mines and Resources incorporates strict environmental controls regarding seismic work and exploratory drilling. Other environmental protection is provided under the regulations followed under the Oil and Gas Production and Conservation Act. The fifth year of the agreement also provides for more than \$1 million in studies, including environmental impact assessments.

Finding a significant and dependable source of oil or natural gas in Hudson Bay could open up a new energy supply for Ontario and Canada generally, reducing our dependence on costly imported fuels.

Mr. Foulds: Are you taking equity on any findings?

Hon. Mr. Welch: We are a partner.

Mr. Speaker: Order.

RURAL ELECTRICITY RATES

Hon. Mr. Welch: Mr. Speaker, I have another announcement. I wish to advise the House that later today I will be introducing legislation which will take a further step in keeping with this government's commitment to reduce the differential in residential electrical bills between rural and urban service.

With this legislation, which amends the Power Corporation Act, Ontario Hydro will be authorized to reduce the differential between the average rural residential bill and the average urban bill to 15 per cent, effective January 1, 1982.

Mr. J. A. Reed: On a point of order, Mr.

Speaker: If this is a ministerial statement, is there any reason why the energy critic does not have a copy of the statement?

Hon. Mr. Welch: It could be because the honourable member's leader has it.

Mr. J. A. Reed: My package might have been packaged in error.

Hon. Mr. Welch: Did the member get a copy of the one on exploration?

Mr. J. A. Reed: Yes.

Hon. Mr. Welch: This is part of that statement.

Mr. J. A. Reed: It is not there.

Hon. Mr. Welch: The member should just read on. It is part of that statement. While we are having this exchange, there it is in the envelope. His leader has found it.

Mr. J. A. Reed: Mr. Speaker, I apologize to the minister.

Hon. Mr. Welch: Although the cost of distributing electricity in rural areas is much higher than in urban areas, a reduction of the rate differential to 15 per cent is both necessary and reasonable.

The action we are taking today is consistent with an Ontario Hydro report I tabled last November which was prepared at the request of the Premier. The report recommended the differential be targeted to 15 per cent.

Members of the House know that the first step in meeting the Premier's commitment to bring rural bills more in line with urban bills was a special \$20-million grant to Ontario Hydro for 1981. With this action, Ontario Hydro was able to reduce the annual cost of electricity paid by year-round rural residents during 1981 by approximately \$40.

Members of the House will recall that this grant was an interim step pending further action for the year 1982. Today, we are taking that action with the introduction of this legislation.

Each year, more of the densely populated parts of rural Ontario are becoming part of our municipalities. Therefore, the rural cost burden is being shared by a decreasing number of people in our more sparsely settled areas. This is evident in data which show that some 95,000 rural customers became customers of municipal utilities during the last five years.

The percentage of Ontario electrical consumers served by municipal utilities is steadily increasing. This government is committed to the continuation of the municipal utility philosophy which has served this province so well over the last 75 years.

In order to lower the electrical bill of the rural resident, the legislation will allow Ontario Hydro to collect approximately \$34 million in 1982 from all of its customers, increasing bulk power costs by one per cent to 1.5 per cent.

All members of the House will be interested to know that approximately 530,000 rural residents across Ontario will have their hydro bills reduced.

INTERNATIONAL BRIDGES' MUNICIPAL PAYMENTS BILL

Hon. Mr. Bennett: Mr. Speaker, I take pleasure this afternoon in announcing that I will be introducing a bill entitled the International Bridges' Municipal Payment Act, 1981.

The proposed legislation establishes long-run provincial policy on payment in lieu of property taxes to be made by the international bridge authorities and commissions to municipalities in which these bridges are situated.

The proposed legislation will require all bridge commissions or authorities named in the act to make full payments in lieu of property taxes, excluding educational levies, on all real property excepting the bridge spans themselves.

Also, the formula as set out in the bill provides for a lump sum payment by each authority or commission in addition to payments in lieu using assessed value of real property and prevailing mill rates in each municipality concerned. This payment is in place of any assessment on the bridge spans themselves.

Both the lump sum payments and the payment in lieu will be phased in over a three-year period, and the provincial government will assist with the financing of the total payments in lieu during this phase-in period.

Existing legislation governing the Blue Water Bridge Authority is repealed and replaced by this legislation, which will also govern all financial arrangements covering bridges operated by the Niagara Falls Bridge Commission.

I believe this bill offers a comprehensive policy for the payment in lieu of taxes to be made for the international bridges named in the act.

MUNICIPAL BOUNDARY NEGOTIATIONS BILL

Hon. Mr. Bennett: This afternoon, Mr. Speaker, I will also introduce the Municipal Boundary Negotiations Bill.

As members may recall, on November 18, 1980, my colleague the Minister of Intergov-

ernmental Affairs (Mr. Wells) moved first reading of Bill 197. That legislation was the product of a policy review begun in the year 1978 in response to briefs submitted to the government by spokesmen for both urban and rural municipalities. These briefs called for an alternative to what had often become costly and bitter confrontations between the Ontario Municipal Board over annexation and amalgamation.

The government responded to these briefs on August 1979 by presenting a proposal for a new procedure modelled on labour-management bargaining techniques. This negotiated process was then successfully pilot-tested in the Brantford-Brant area and later employed in discussions between the city of Barrie and the township of Innisfil.

Legislation to implement the comprehensive agreement reached in Brant was passed by the Legislature last June. It will be my pleasure to introduce a bill to the House in the next few weeks to implement a similar agreement between the city of Barrie and the township of Innisfil. I hope that legislation will end years of discussion and controversy in that part of our province.

The members may recall as well that, before introducing Bill 197 last fall, the Minister of Intergovernmental Affairs released a position paper setting out a refined version of the new procedure. This paper reflected the experience gained in the Brantford test as well as the discussions held over the summer of 1980 with a working group representing Ontario's three municipal associations.

The revised version of the bill which I will be placing before the members incorporates further suggestions from this working group, along with suggestions from individual municipalities and municipal associations. The draft was extensively reviewed with the working group on October 7 of this year and met with general support at the meeting of the Municipal Liaison Committee on October 9.

The bill simplifies the strengths and negotiated procedures set out in Bill 197. It also renders—

Mr. Epp: Mr. Speaker, I wonder if the minister will share a copy of his statement with the critics. I have a compendium here on the boundary thing, but I do not have a copy of the ministerial statement.

Hon. Mr. Bennett: Mr. Speaker, it was my

understanding that copies of both the compendium and the statement were being issued to the opposition parties.

Mr. Speaker: Will you make sure the member for Waterloo North is supplied with a copy?

Hon. Mr. Bennett: I will, sir.

Interjections.

Mr. Speaker: Order.

Mr. Epp: If we did not get one, I am sure the New Democratic Party did not get one either.

Mr. Speaker: It would appear nobody got a copy. Mr. Minister, will you see they are distributed immediately, please?

Interjections.

Hon. Mr. Bennett: Fine, Mr. Speaker. I will defer it until tomorrow if that is what they wish.
2:20 p.m.

GAS FURNACE VALVES

Hon. Mr. Walker: Mr. Speaker, I wish to advise members of a general warning letter being distributed to all gas furnace customers in Ontario—about one million gas furnace customers—beginning today.

Recent investigations by the natural gas industry, in co-operation with the technical standards division of the Ministry of Consumer and Commercial Relations, have shown that residential gas furnaces equipped with certain White-Rodgers valves may intermittently malfunction. While the likelihood of failure is extremely rare, we are concerned about the potential of these furnaces overheating and causing fires.

The White-Rodgers valves in question are in the model 36B series—not unlike the one I have in front of me—and they have been used on gas furnaces manufactured by several companies. These companies and their product names are listed in the letter being mailed to gas furnace customers with their next utility bills.

The general warning letter explains how consumers can quickly check whether their furnaces are equipped with a White-Rodgers valve.

If the valve is date-coded 7630 to 7752—which means the valve was produced in 1976 or 1977—the consumer is urged to contact a local heating contractor, the furnace manufacturer or the White-Rodgers company. White-Rodgers will replace these valves at no charge to the consumer.

If the valve is a White-Rodgers but outside the 7630 to 7752 date codes, the manufacturer will

replace the valve at a special price of approximately \$37 plus labour. It should be noted that we have no evidence that valves outside the 7630 to 7752 date codes are prone to malfunction.

The general warning letter also explains how the home owner can determine whether his gas furnace is likely to overheat.

We have already notified heating contractors, furnace manufacturers and gas utilities of this potential problem so that they can respond promptly to consumer inquiries.

I wish to stress that we are committed to the basic principle that any costs imposed on the unsuspecting consumer should be borne by the responsible business or industry. Consequently, we expect the industry, through its own arrangements with White-Rodgers and as part of good customer relations, to absorb any furnace inspection charges and long-distance collect calls for consumers who have White-Rodgers valves in their gas furnaces.

JEUX CANADA GAMES

Hon. Mr. Baetz: Mr. Speaker, this past summer the city of Thunder Bay and Ontario had the privilege of hosting for the first time the Jeux Canada Games. The 1981 Summer Games were a tremendous success, and today in your gallery we have with us some of the men and women who did so much to make them so special.

As all honourable members can appreciate, an event as big and complicated as the Jeux Canada Games, involving some 3,000 athletes from 10 provinces and two territories in 17 sports, takes years of dedication to plan and stage.

In Thunder Bay, thousands of volunteers pulled together under the guidance of the Jeux Canada Games Society to make these games happen. They set out to make the games the best ever and they succeeded.

The society's efforts revolved around two men in particular, and together they represent an extraordinary community effort that deserves the congratulations and thanks of every member of this House. It is therefore my pleasure to present to honourable members Mr. Bruce Walker, the president of the 1981 Jeux Canada Games Society, and Mr. Taras Kozyra, the society's general manager.

These gentlemen and the remarkably dedicated group with whom they worked set a magnificent stage in Thunder Bay, but it was the competition played out on that stage that was

the very heart of the games themselves. When that 14 days of competition was finished, our very own Ontario team was at the top of the standings, the winner of the coveted Canada Summer Games flag.

Ontario athletes and teams were contenders in every sport and the winners of many. But in swimming some achievements were of world-class standing. When the members of the Ontario women's four by 200 freestyle relay swim team won the gold medal, they set not only a Canada Games record but also a new Canadian senior women's record, and they set what was then the second fastest time in the world for that event.

Adding to this single outstanding achievement, these four young ladies in the gallery stacked up an amazing number of gold medals—a total of 22—for swimming events during the games.

Jennifer Campbell set a record for the number of medals won at a Canada Games competition, with seven gold, one silver and one bronze.

Michelle McPherson won one of her gold medals with a performance that turned out to be the fourth fastest time in the world for the 400 individual medley.

In personal achievements, Cheryl McArton and Kathy Bald were not far behind. Kathy took five gold medals and Cheryl took four.

These young women represent all that is outstanding in competitive athletics in our province and in our country; so it is with great pleasure that I now introduce to this House the members of Ontario's world-class women's four by 200 freestyle relay swim team: Kathy Bald of Ottawa, Jennifer Campbell of Copper Cliff, Cheryl McArton of Toronto and Michelle McPherson of Toronto.

Applause..

Mr. Speaker: I am sure the whole House extends congratulations to these young people.

ENVIRONMENTAL LEGISLATION

Hon. Mr. Norton: Mr. Speaker, at the appropriate time in the proceedings later this afternoon, I will be introducing bills amending three of the acts under the administration of my ministry.

The first will be the Environmental Protection Act, and these amendments will greatly enhance the effectiveness of this particular piece of legislation.

The honourable members have been provided with extensive briefing documents, both on Tuesday and again today, just to make sure

that if they happened to have left their copies in their offices they would not be upset this afternoon. I would like to mention a few of the amendments and the logic behind them.

First, we have moved to clear up legal uncertainty regarding the ownership of waste delivered to and accepted by the operator of a waste disposal site. The amendment makes it clear that waste becomes the responsibility of the owner.

What about waste deposited without authority on a site? The proposed amendments transfer ownership of such waste to the site operator without extinguishing the legal liability of the previous owner; in other words, there is shared responsibility under those circumstances.

The incentive is increased here to prevent indiscriminate dumping. It is clearly in the best interest of all parties to maintain such a level of security in the disposal operation as to prevent unauthorized deposits.

We are taking further steps against the fly-by-night operator who gets in the waste disposal business simply by obtaining a vehicle and dumping waste in a remote area without incurring the cost of treatment and of disposal at an approved site.

Under the amendments, designated officers will be empowered to seize immediately the permit and number plates of such a vehicle and, at the time of prosecution, to apply for a court order suspending the permit and plates for a period of up to five years. That will certainly make an operator think twice about engaging in that type of activity for easy profits.

Where a vehicle was registered outside Ontario, the court is empowered to order the return of permit and plates to the authority that issued them.

We have clarified and reinforced the powers of the Environmental Appeal Board. It is now abundantly clear that the board has the authority to go beyond a decision of the director and to substitute its own decisions for that of the director or to require him to reconsider a decision in accordance with the board's decision. If there is any doubt, this amendment now clarifies the power of the board.

The present wording provides for an appeal on a question of law from a decision of the board to a local county court. The proposed amendment provides that an appeal should be made to the divisional court of the Supreme Court of Ontario. We feel that this will reflect properly the importance of the issues and the fact that questions of law raised in appeal are often of

general importance in the administration of the Environmental Protection Act and the Ontario Water Resources Act.

Finally, the act as now constituted does not prescribe a limitation period for prosecutions. As a consequence of that, the general limitation period of six months, as set out in the Provincial Offences Act, applies.

2:30 p.m.

My ministry has been experiencing difficulty in bringing prosecutions to court within the prescribed limit. Pollution offences are often very difficult to detect and often take place in remote areas. A contaminant may mix with or disappear into the ground, the air or the water, and adverse effects may only arise after considerable time has passed. Laboratory verification of contaminants in a manner suitable for use in court is often complex and time-consuming.

A two-year limitation period would greatly increase the ministry's capability for prosecutions, particularly for those involving hauled industrial waste and hazardous waste. Therefore, we are providing for such an extension of the limitation period.

In addition to that bill, I will also be introducing—

Mr. Speaker: Order. I would ask all the honourable members to please refrain from private conversations while the ministerial statements are being made.

Hon. Mr. Norton: Mr. Speaker, I was appreciating the high level of interest across the House in these important amendments.

In the proposed amendments to the Ontario Water Resources Act, we will be dealing with the matter of water wells. This will represent the first complete revision of these provisions since they were enacted in 1957.

Once again, the members have been provided with the background information. What we will be proposing will ensure the adequate installation, maintenance and closure of water wells for the protection of well water supplies and ground water and for public health and safety.

Under the terms of the third bill, there will be a relatively minor amendment to the Pesticides Act providing for the introduction of a two-year period during which prosecutions may be brought for similar reasons as I outlined in my first statement respecting the Environmental Protection Act.

FOREST MANAGEMENT

Hon. Mr. Pope: Mr. Speaker, I am tabling two

documents dealing with the management of our forest resources.

The first document, Forest Research 80, is a report on the accomplishments of the Ontario Forest Research Centre at Maple and of the four field stations engaged in various aspects of research work.

This report describes the research done on a wide range of topics in forest biology, all of which is aimed at improving forest production, be it for fibre, poles, logs or biomass.

An important task of any research organization is, of course, to make its findings known to those who could or should use them, what is often referred to as technology transfer. I am confident this report accomplishes that task as efficiently and concisely as possible.

The second document I am tabling, Aerial Spraying for Forest Management—an Operational Manual, is a detailed how-to set of instructions for a highly complex operation.

Aerial spraying, as I am sure the honourable members are aware, is an essential technique for the control of insects and unwanted vegetation in Ontario's forests. Indeed, in most cases, it is the only practical method of applying pesticides.

This manual offers complete directions to field staff and deals with every aspect of spraying, from the initial public information exercises to the actual handling of spray material and the selection of aircraft and pilots.

The forestry experts in my ministry are well aware of the concerns often expressed about aerial spraying, and this manual is in response to our insistence that all such projects be conducted with a high degree of operational control and maximum regard for the safety of all those involved.

I believe these two publications will offer the honourable members a good overview of our recent efforts in forest management.

WEST PATRICIA LAND-USE PLAN

Hon. Mr. Pope: Mr. Speaker, I am tabling a document dealing with the use of land in the West Patricia area of our province. This deals with a planning area covering 223,500 square kilometres in the northwestern Ontario administrative districts of Red Lake, Sioux Lookout and Geraldton north of the Albany River.

The growing population and improved standard of living in Ontario are placing more and more demands on our land and water resources. In order to meet those demands it is essential

that the uses of the land and water resources are co-ordinated. That is why we need land-use plans.

Our comprehensive land-use planning program is our response to the challenges these increasing demands have thrust upon my ministry.

Land-use planning deals with the identification and allocation of land to realize specific benefits from the basic resources of land and water. These benefits could be well-known products of the natural environment such as timber or minerals, or they could be derived from the use of the natural environment for leisure-time activities such as camping, sport fishing or snowmobiling.

Of course, planning also deals with the social, economic and environmental costs of achieving these benefits. Since my ministry's land-use planning program is designed to serve, first, the residents of the planning area and, second, the people of Ontario as a whole, public participation is an extremely important step in the planning process.

To this end we have conducted a number of open-house sessions with the public regarding the West Patricia plan. These were held at Red Lake on July 28 last, at Sioux Lookout on August 5 and at Ear Falls on August 6. Our aim was to involve concerned citizens with every step of the planning process. Publications outlining the West Patricia land-use planning process included an introduction booklet, various papers dealing with the public participation program and a series of approximately 30 background information papers. These publications were made available to the public as they were completed.

My stand on public participation is well known, I am sure. I feel very strongly about the need to keep the taxpayers fully informed of the actions of my ministry and of the effects such actions may have on all sectors of our society. This West Patricia land-use plan publication is but another way to achieve this aim.

Interjection.

Hon. Mr. Pope: If you would send someone up, you would find out about it.

Mr. Laughren: Mr. Speaker, does this mean that Timmins will not get a food terminal?

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, I have a question for the Treasurer. I would like to quote from his

statement to this House one year ago, which can be found in Hansard beginning on page 3863. He says:

"I believe strongly that more of the nation's petroleum industry should be Canadianized, but I make a very clear distinction between Canadianization and nationalization. Nationalization along the lines the budget has proposed will simply export Canadian dollars without adding one barrel of oil to our supplies. Taxing the Canadian people"—and this is the key sentence—"to buy the existing industry is really a misallocation of resources and a waste of time."

In view of the fact that the Treasurer is a man of honour and integrity, who obviously holds very deeply views fundamentally opposed to the purchase of Suncor, will the Treasurer explain to this House how he can continue to pretend to be the man in charge of economic policy in Ontario when such a major decision as the purchase of Suncor has been made clearly against his wishes? Will he have the honour, the integrity and the self-respect either to resign his position or to ask to be transferred to a different portfolio?

Hon. F. S. Miller: I recall making that statement a year ago, Mr. Speaker. I believe it was in response to the federal government's national energy program, and it was the feeling of this government, not just myself, at that time.

I believe the ability to control the economy of this province still rests in the Treasury. I would point out that whenever a decision is taken in the cabinet of this government, it is endorsed by all members of the cabinet. That has been one of the main reasons we have stayed in power on this side of the House and the opposition has been divided on that side of the House.

At the same time I, like all my colleagues in the cabinet, took a pledge when I was sworn in as a minister and member of the executive council to express freely and in the confidence of cabinet my opinions on any matters. I have that opportunity and I would suspect if I had to resign each time I disagreed with the consensus opinion of cabinet, I or any other minister would be faced with resignation at least once a week.

2:40 p.m.

Mr. Smith: Mr. Speaker, given that we are not speaking of just the average minister disagreeing with the average cabinet decision, but we are speaking of the Treasurer of Ontario being fundamentally, philosophically, deeply at odds

with the most major economic undertaking announced in the past several years by the government of Ontario, does the Treasurer not recognize that for his own self respect, given the depth of his feeling on this matter, he owes it to himself and to the concept of honour in politics to at least ask to be in a different portfolio, if not to resign outright?

While he speaks of this as a decision and opinion he held some time ago, he must surely recall his interview in *Le Devoir* only seven weeks ago, while the very negotiations were going on with Suncor presumably—I remind him the Premier said it was the support of the Canadianization program that led him to purchase Suncor—in which the Treasurer said the the national energy program of the federal government was among the principal causes of the economic difficulties of the country and he claimed the reason high interest rates were necessary in this country was because of a lack of confidence in the dollar which the national energy program had engendered.

Under these circumstances, once again I call on the minister, as a person for whom I have personal respect, to have the honour in politics to resign his post on this occasion.

Hon. F. S. Miller: I really have no further answer.

Mr. Foulds: Supplementary, Mr. Speaker: Can the Treasurer tell the House what precise documentation was provided to the cabinet and to him, along this passage through the Red Sea, to persuade him that it was in the government's interest to reverse his policy and obtain 25 per cent of Suncor, and why the government and cabinet were persuaded not to go to the 51 per cent to provide full Canadianization of the company?

Hon. F. S. Miller: Mr. Speaker, I think other ministers might answer that better than I. The member may wish to address it to another minister later on. I can assure him that at the time the negotiations began, that was the amount available. The Premier commented the other day that there were certain option periods or points during which the province had an option or the right to buy certain percentages up to 51 per cent.

Mr. Foulds: I would redirect it to the Minister of Energy for an answer.

Mr. Speaker: He said you may ask another question at a later time.

Mr. Foulds: He said redirect.

Mr. Speaker: I am sure he said you may ask another question at another time.

Mr. Smith: Given that it must surely be the Treasurer's first priority to improve the economic climate of this province and this country, and given that there can be nothing more fundamental than the statement he made—which says that our economic difficulties, our high interest rates and the lack of confidence that is seen in the Canadian dollar are due to this nationalization or Canadianization program—given that those are his fundamental beliefs, can the Treasurer think of anything more basic upon which a difference of principle with the government might involve his resigning from the Treasurer's post?

Given that his own words have said this is a misallocation of resources, a waste of time and it is undermining confidence in the dollar and is responsible for high interest rates, what worse has to be done before the Treasurer would feel he should give up his post?

Interjections.

Mr. Speaker: Order.

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Housing.

Mr. Smith: I have a second question, Mr. Speaker. Excuse me. I was quite dumfounded by the fact that the Treasurer did not rise. I am disappointed as well.

I have a second question for the Treasurer. Is the reason for his unhappiness about the Suncor purchase that he believes Ontario should be using what scarce financial resources it has for other purposes and should not be increasing the cash requirements or deficit by over \$300 million for a deal which will not create a single job in Ontario, which will do nothing to help the businesses in Ontario or our manufacturing sector, which will do nothing to help those hit by inflation or by high interest rates, which will do nothing to ensure the quality of health, education and social services and will do nothing to reduce our dependence on oil?

Is it because all those priorities are held higher by the Treasurer that he is reluctant to give \$300 million of additional debt over to this Suncor purchase? Is that the reason he is against the purchase?

Hon. F. S. Miller: Mr. Speaker, the Leader of the Opposition has woven into his question a number of assumptions. The first was that I had stated somewhere that I disagreed with this decision. I did not. The comment of a year ago that he read is not related to this specific deal.

I pointed out to the Leader of the Opposition in the beginning, when I began this, that

regardless of a private position in cabinet a minister of the crown supports the decisions of the cabinet. Second, he has made the assumption that it may not be a wise investment or that it has no productive or direct benefits to the province. He said there would not be a single job brought to the province in his question on that particular deal.

Interjections.

Mr. Speaker: Order.

Hon. F. S. Miller: That was last year's statement on another subject altogether. I am simply pointing out that at this point I cannot predict what direct employment results, if any, will occur in Ontario on the basis of the purchase of 25 per cent of Suncor. I suspect the member jumped to that conclusion in his question. I am simply saying that is—

Mr. Peterson: On what basis?

Hon. F. S. Miller: On the basis of whether the deal was a good purchase. The answer is unquestionably yes. The price paid by the province, the viability of the company—all those things stood rigorous and rigid examination by many people in the course of many months of tough negotiation, which was mainly concerned with the price and the value of the assets. That part clearly stands on its own merits.

Mr. Smith: The Treasurer is too intelligent a person to truly believe that what he is saying constitutes an answer to the question he was asked. I therefore ask him again: Does he not recognize that the Premier has said this will not create jobs in Ontario?

Would the Treasurer please explain to us how, aside from the fact that this might turn out in the long run to be a good investment—

An hon. member: It will.

Mr. Smith: It might. Buying stocks on the stock market might turn out to be good. Buying land assemblies could have turned out to be good. It turned out to be bad, but it could turn out to be good.

Given the fact it is not the primary job of the government of Ontario to go around seeking interesting business deals around the country but rather to tax the people of Ontario to provide better services for the people of Ontario, and to do only those things that the private sector is unable or unwilling to do, would the Treasurer admit that he is reluctant to suffer an increase in his cash requirements of over \$300 million for something that does not help depressed

Ontario industries, does not provide employment for our people, does not ensure the strength of our services and does not reverse the economic decline in our manufacturing sector?

2:50 p.m.

Hon. F. S. Miller: I wish I had the time to go back and get a copy of a speech the member gave in Kingston. It does not seem to me that the things he is now enunciating as if they were right-wing Liberal policy were the things he stated as his objectives for a government.

I find it difficult to believe that a person who would try to direct his party to the left as he did in Kingston would be suggesting that this kind of involvement in determining the security of the oil supply of the citizens of Ontario is wrong.

Mr. Cassidy: Supplementary, Mr. Speaker: I do not think I have seen a minister as uncomfortable in defending a government policy since Bert Lawrence was defending his trip to Cuba seven or eight years ago in this Legislature.

Since the reason we do not get jobs in Ontario from the deal, the reason we get only technical Canadianization, the reason Sun Oil in the United States will continue to control the company, is that Ontario is only taking 25 per cent and leaving control in the American company's hands, could the minister explain why Ontario shied away from taking 51 per cent so we could run that company for the interest of Canadians and Ontarians?

Hon. F. S. Miller: Mr. Speaker, obviously it is in the interests of those of us who live in Ontario, including the honourable member—and I believe he has roundly supported this purchase, unless I am wrong—to see that 51 per cent of the company is held by Canadians. Through that will flow a number of benefits, as I understand it, to the company and, therefore, to the shareholders including ourselves and, perhaps more important, to those of us who depend upon new sources of oil from within Canada.

There is a period of time during which, it is my understanding, the owners of Sun Oil Incorporated in the United States will actively be looking for other purchasers for the balance of the shares to Canadianize that company. It is also my understanding that the arrangements concluded permit this province at certain stated points to purchase more shares.

Mr. Peterson: Mr. Speaker, I have a two-part supplementary question. First, I want to ask the Treasurer how he intends to finance this purchase, particularly given the fact he has tabled

supplementaries for an additional quarter of a billion dollars and now, on top of that, there is another \$325 million out of this year's budget?

Second, does this purchase, which obviously was under negotiation for some period of time, account for the fact the Treasurer and the Premier were mum on energy prices after the conclusion of the federal-Alberta agreement on energy prices, particularly since they paraded as the champions of low energy prices before the election; and does this recent acquisition not put them into an intolerable position of conflict of interest on the energy pricing question in this country?

Hon. F. S. Miller: Mr. Speaker, to answer the first part of the question, the financing is reasonably straightforward: \$325 million will be paid by Ontario to, I believe, Ontario Energy Corporation, which in turn—

Mr. Peterson: Where are you going to borrow it?

Hon. F. S. Miller: That would be borrowed from the normal pension funds of this year. That will increase my cash requirements by \$325 million. The second \$325 million will be borrowed through devices as yet to be finalized. When those are finalized, I believe the member will find the moneys required to handle that \$325 million may well be generated, hopefully, by dividends or cash flows during the 10-year period. That will be finalized before the closing date on the deal.

The second part of the question—

Interjections.

Mr. Speaker: Order. The question was asked of the Treasurer; let the Treasurer reply.

Interjections.

Hon. F. S. Miller: It is a bit difficult, Mr. Speaker. The second part of the question was, "Does this suddenly take us to world prices?" The answer is, of course not. Listen, I do not know what share of the Canadian markets Suncor has, but if it is thought that for the relatively small total refund Ontario will get through the dividend process, we suddenly want to see the price skyrocket, I think that is an absolutely ridiculous conclusion.

INTEREST RATES

Mr. Cassidy: Mr. Speaker, we used to be accused of being wild-eyed Socialists, but now we have wild-eyed Tories and just wild Liberals in this House.

I have a question for the Minister of Municipi-

pal Affairs and Housing. The estimates by Central Mortgage and Housing Corporation that were disclosed in Ottawa yesterday stated that 85,000 Canadians will lose their homes by the end of this year because of the high interest rates and having to renew their mortgages. Since 40 per cent of the home owners in the country are in Ontario, that means some 35,000 Ontarians will lose their homes by the end of this year because of the high interest rates on mortgages when they come to renew. Has the ministry investigated just what the situation is and would the minister give us his estimate of how many people in this province will lose their homes because of the increase in mortgage rates?

Hon. Mr. Bennett: Mr. Speaker, first of all, I am not sure the statement that CMHC released the report in Ottawa is correct. It is my understanding it was the leader of the NDP in Ottawa who released that particular remark. I do not recall having heard the minister reporting for CMHC in Ottawa concurring with it, but the figure of 85,000 has been used.

Let me very carefully indicate what we see in Ontario in relationship to those who will use 30 per cent or more of their gross disposable income in relationship to housing. In doing an assessment in this province our indications are that if a 22 per cent rate on mortgages prevails, some 35,000 home owners will be spending more than 30 per cent of their disposable income on housing; at 20 per cent there would be 30,500 and at 18 per cent there would be 27,500. But, very clearly, we are not saying, nor is the federal government, that all those people we happen to be referring to are in jeopardy of losing their homes.

Let me add one other remark. In the discussions we have had with both Mr. Cosgrove, through CMHC, and Mr. MacEachen we have suggested to the federal government that if some assistance is to be afforded to give relief in relationship to mortgage rates, it would be given to those who use more than 30 per cent of their disposable income for housing.

Mr. Cassidy: Since the minister says, and I am sure it is a rock-bottom estimate, that 35,000 people will find themselves paying more than 30 per cent of their gross income—and a lot more of their net income—when they come to renew their mortgages at today's interest rates, will the minister say why Ontario is not prepared to recommend to the federal government, or to take action itself, to impose a moratorium and ensure that mortgage renewals are made at the

existing rate for the next six or 12 months, in order to ensure there is pressure on the federal government to bring the interest rates down and to spare people from having to get into that kind of ruinous situation with their mortgage renewals?

Hon. Mr. Bennett: I do not accept it is a rock-bottom figure. In the calculations of my ministry, through substantiation of figures from both Statistics Canada and CHMC, the 35,000 was at 22 per cent; the interest rate in some cases is lower than that in the market rate today. I have no idea what happened to the bank issue this afternoon. If there has been a further reduction of half a per cent or better we could see mortgage rates drop even a point or so at this time. I am not predicting that; I am only saying if there is an adjustment I think mortgage rates will adjust accordingly.

Regarding the second part of the question, I believe that is more in the Treasurer's field than mine.

3 p.m.

Mr. Mancini: Supplementary, Mr. Speaker: How can the minister accept a subsidy from the province so that he can own a second home in one of the most chic neighbourhoods in all of Toronto and at the same time not be willing to lift a finger to help the average working man stay in his home? How can the minister responsible for housing in Ontario feel morally correct in a position such as that?

Hon. Mr. Bennett: There is one very simple answer to that question, Mr. Speaker. First of all, I believe the Board of Internal Economy dealt with a policy for the members of this House, not specific to the housing minister. To advise the member—

Mr. Breithaupt: No, no.

Mr. Nixon: You have a responsibility.

Hon. Mr. Bennett: I said a policy position. I trust the former leader of that party will go back and see what they do in various other jurisdictions in Canada. But let me just indicate—

Mr. Nixon: Our responsibility is right here and we are worried about you.

Hon. Mr. Bennett: That is fine. The member should continue to worry about it right here. That is exactly what I do as well—worry about responsibilities in this House.

Mr. Speaker, the question does not really relate to my ministry but the question has been placed to me. First of all, since 1977 I have not drawn any living allowance, as most of the

members from outside the jurisdiction have. Second, at this point the government has never paid me a cent towards the private residence I have. So I do not consider my position in life is being subsidized any more than some of the members from the opposition who think they are lily-white. They have also drawn their position.

Mr. Nixon: Point of order, Mr. Speaker: I would like to know what the minister means when he says some of the other members here are not lily-white because they have drawn a living allowance. He has to withdraw that. He is the only one who wants a house and wants an allowance for it. Nobody else does.

Interjections.

Mr. Speaker: Order, order.

Mr. Nixon: He cannot say that about the members—

Mr. Speaker: Order, order. I will take a look at Hansard and see what the minister did say.

Mr. Philip: Supplementary, Mr. Speaker: Is the minister aware of a study done for the Honourable Paul Cosgrove which indicates that rents in modern buildings in this country will virtually double in the next 18 months under the present system? As the minister responsible for rent-geared-to-income housing in this province, what is he going to do to pick up the slack for those people who cannot afford to pay rent in the private market?

Hon. Mr. Bennett: Mr. Speaker, I did not hear the first part of the question.

Mr. Philip: I would be glad to repeat the question, Mr. Speaker. Would the minister like me to repeat the question?

Mr. Speaker: Please.

Mr. Philip: I am asking him if he is aware of a study that was done for the Honourable Paul Cosgrove that indicates an average renter in a modern building will see the amount he pays each month virtually double in the next 18 months. As the minister responsible for rent-geared-to-income housing, to house those people who cannot afford to make it in the private market, what is he going to do to pick up the slack of those people who can no longer afford to rent in the private market?

Hon. Mr. Bennett: Mr. Speaker, I do not understand the first part of the question about the report, because I think we have shared most of those that have been done for the Honourable Mr. Cosgrove. In both his ministry and mine we share studies both in the fields of

ownership and in rental accommodation. We are aware there are going to be some rental increases—there is no doubt about that. I think we all recognize that mortgage money is at a very high rate, as is the price of fuel and energy and other costs of operation.

In all the studies and reports we have done within the ministry I am not aware we are going to see a doubling of rents in the 18-month period for a big portion of the market. That is not what all the reports to my ministry indicate, and indeed the ministry work from inside.

As for the last part of the question, we continue, as the member knows, to encourage municipalities, private organizations and co-ops to continue to build structures, rental structures or otherwise, with a percentage being made available for rent geared to income. Indeed, under the Ontario rental construction loan program, there was a percentage of those units that will be made available to the various housing authorities in which the units are located for use under the rental subsidy program.

Mr. Epp: Supplementary.

Mr. Speaker: Order.

Mr. Epp: We just want a supplementary.

Mr. Speaker: That was the final supplementary.

Mr. Epp: We only had one.

Mr. Speaker: Yes, that is right.

USER FEES

Mr. Cassidy: I have a new question for the Minister of Health, Mr. Speaker. Will the minister explain why he has been sending up trial balloons about the government imposing user fees on people in Ontario? And will he assure the House that universal medicare in this province will not be undermined by imposing user fees either when people go to see the doctor or when they go to hospital?

Hon. Mr. Timbrell: Mr. Speaker, I do not think there is any threat to universal medicare at this point. I would have to say—

Mr. Breithaupt: When will there be?

Mr. Foulds: At what point?

Hon. Mr. Timbrell: I have told the federal minister and the federal government repeatedly that if they are going to tinker substantially with the transfers to the provinces, they are going to put all the provincial governments in a very

difficult position in choosing their means of living with those changes. That could substantially affect the shape of medicare.

Interjection.

Hon. Mr. Pope: Mr. Justice Hall said that was wrong.

Mr. Speaker: Order.

Hon. Mr. Timbrell: There is no threat to medicare. There is not now and there has not been. My colleague, the Minister of Natural Resources (Mr. Pope), reminds me of Mr. Justice Hall's report. Mr. Justice Hall found that medicare was in good health, if you will—that the inequities, the shortages and the impediments to service he had found in the early 1960s when he did his first review of health service in the country had been overcome. So there is no threat to medicare.

Mr. Cassidy: The minister quotes the Hall report. Is he not aware Mr. Justice Hall found that user fees impede accessibility? Is he also unaware Mr. Justice Hall found the user-pay concept is "contrary to the principle and the spirit of the national health program" which was brought in in the 1960s as a consequence of his original report?

How are we to believe this minister when he says, "It is something we might do at some time because of federal action," when Ontario has not been keeping up its share of medicare costs but has been leaving that to the federal government, and when Ontario has already imposed user fees with respect to both chronic care and ambulance fees? When he has imposed user fees in those areas, how can we trust him when he says it is not going to come at this time? Will he guarantee we will not have user fees with respect to physician charges and hospital beds?

Hon. Mr. Timbrell: First, Mr. Speaker, it is blatantly untrue to say that Ontario has not been keeping up its end of the cost of medicare. In fact, Mr. Justice Hall found just the contrary, and the federal minister who had been mouthing certain things in certain federal election campaigns had to eat her words. Further, the parliamentary task force report which was tabled in September, known as the Breau report, confirmed the conclusion that the provinces have not been diverting funds from medicare to other purposes—that we have indeed held up our end of the deal.

Second, it is true that we have had in Ontario for a number of years, in certain areas, certain

user fees. The honourable member refers to user fees for chronic care, which his party supported in a famous report—

Mr. Foulds: That is blatantly untrue.

Hon. Mr. Timbrell: It is basically blatantly true, my friend. The member had better read the report his members signed.

Mr. Foulds: The minister had better read the report. He had better also read the Hansard.

Mr. Speaker: Order.

Hon. Mr. Timbrell: It is true we have had certain user fees such as that. I would remind the member, in case he is not already aware of it, that Saskatchewan, the great Valhalla of his party, just introduced identical user fees for nursing homes and chronic care on July 1.

Mr. Smith: Mr. Speaker, it is obvious the Minister of Health intends to move ahead with this user fee idea, either using the so-called possible federal cutback as the reason or some other reason. The minister said his real belief was that a user fee was necessary—if I remember his words correctly—because there had been an increase in the number of services being provided by physicians and this was a way of keeping the lid on that. Given that, would the minister admit that the idea of user fees is not to raise revenue, but is basically put forward by people in his ministry with the notion that people will not accept their physician's request that they come back for repeated services if they have to pay, and physicians will otherwise continue to reuse services and create more utilization? Otherwise, can he tell us what the possible rationale is for user fees and why he raised the issue in Ottawa at all?

3:10 p.m.

Hon. Mr. Timbrell: Mr. Speaker, first of all the honourable member has not even quoted me. What he alleges to be my remarks are words that I have never used. I have never tied the concept of user fees, as it exists today in this province and in most of the 10 provinces and the territories, to utilization. I do not believe in deterrent fees. I do not believe that deterrent fee systems work.

The member for Ottawa Centre (Mr. Cassidy) has pointed out that we do have user fees and have had for many years: in nursing homes for almost a decade, in ambulance systems for more than a decade and in chronic care for almost three years. And in none of those areas of the system has the existence of reasonably-tailored

user fees impeded the growth in utilization. Indeed, you can point to the growth in the numbers—

Mr. Cassidy: It makes one law for the rich and one for the poor: one medicare for the rich and one for the poor.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Pardon me. I have the floor, if I may finish.

Indeed, if the member looks at the growth in the use of the ambulance system, which has grown by about 25 per cent in the last five years as compared with a five or six per cent growth in population, he will see there have been no deterrents there due to user fees.

If the member looks at the growth in the numbers of nursing home beds in nursing homes and homes for the aged and the growth in the numbers of chronic-care beds, where user fees do apply, he will see they have not deterred utilization.

I would be remiss, though, if I did not say this: When this question arose it was a very minor component of an alarm I was trying to sound to the Ontario people about the fact that the federal government is contemplating some very large reductions in their transfer payments to the provinces. The federal Minister of Health and Welfare says, "Don't worry. I have been able to convince the federal cabinet not to cut into the health care field." I say it is all well and good there will not be any direct cuts. But if large amounts are cut from any of the transfers to the provinces, the ministries of health of the 10 provinces and the two territories—which on average spend about 30 per cent of their respective budgets—cannot help but cope in some way with those reductions the federal government may be imposing on us.

Mr. McClellan: Supplementary, Mr. Speaker: If, as the minister says, user fees are a small component in the realm of future contemplation, can he explain to us why it is the strategic research branch of his ministry, directed by Mr. LeBlanc, has already hired contract consultants on a confidential basis to analyse contingency plans that have been developed for the imposition of user fees? Specifically can he tell us why plans have been developed to introduce the carrot of increased funding for health service organizations in exchange for the club of hospital user charges? If the minister is simply contemplating user charges why is it that he already has so much interesting work in progress?

Hon Mr. Timbrell: Mr. Speaker, I am not sure what the connection to HSOs is, because there is no connection. But certainly in preparing for the federal budget, which we are told will come down before the end of October, in order to serve the people of Ontario properly we must be in a position to analyse and be ready to speak to the various policy options open to us if indeed the reductions of federal transfers are of the magnitude referred to repeatedly by the Minister of Finance of Canada and by the Prime Minister. First and foremost—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: First and foremost our aim must be to maintain the quality—

Mr. Smith: You are using the sick and the poor as hostages.

Hon Mr. Timbrell: Now we understand why the member is leaving.

If the honourable member would just once step aside from his usual sarcasm and cynicism and look at what has been done in this province in the last 10 to 15 years for the poor and the aged he will find there is not a jurisdiction on this continent that has done as much for those people as Ontario has, let alone more.

WHITCHURCH-STOUFFVILLE WATER QUALITY

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. I wonder if he is as concerned as we are about the recent findings of organic halogens in the private wells in Stouffville. Those tests were done by an independent US laboratory which had previously conducted tests at the Love Canal.

In June, if the minister recalls, he stated there had been very comprehensive testing of the water supply in that area. However we have noticed the sampling came from the north, south and east of the landfill site whereas he himself admitted, on June 4, that the aquifer moved in a westerly direction from the landfill site. The results yesterday came from wells to the west of the site, the area his people failed to test.

I wonder if the minister is doing his job, when he can see the results of not doing his job in Niagara. Why did his people not take tests in the area where the known aquifer was moving?

Hon. Mr. Norton: Mr. Speaker, I am sure the honourable member realizes that tests have been taken in all directions from that site.

Mr. Kerrio: Now?

Hon. Mr. Norton: Now. That is absolutely correct. I mean not what the member is saying but what I am saying.

Mr. Kerrio: The minister was right the first time.

Hon. Mr. Norton: Of course, one is always concerned when one hears this kind of information being talked about. We try to check it out as promptly as possible, but if some of the individuals involved were as candid with us as we are with them I would not feel so much as if I was playing a game of hide-and-seek.

The first information I received about these tests was by way of a telephone call from a newspaper reporter; up until this morning, in spite of the efforts of my staff, that was still the only source of information we had. The individuals who had the testing done had not told us, nor could the newspaper reporter because apparently they did not divulge that information to him or her. We were not given the information as to where the tests were done. It was not available to us. We were not told which wells and in which directions they had done the testing; how the samples were taken; whether they were done carefully so as not to contaminate samples and that type of information.

My staff may have succeeded in getting that information since I have been in the House this afternoon. But it is very difficult for me to stand in the Legislature, knowing the very real responsibility I bear for dealing with these kinds of things; and respond on the basis of information that has not even been shared with me or my staff up to this point.

According to the information we received via the person from the news media, apparently in one well near the site—I do not know which direction it was in—they allegedly found 50.2 parts per billion of an organic halogen. We do not know what type of organic halogen it was. We do not know what techniques were used in doing the tests. What is also very significant is that we do not know whether any of the water that was tested had been chlorinated. I'm told that all chlorinated water has organic halogens ranging from 10 to 100 parts per billion. They might be testing perfectly good chlorinated water and getting these results.

In another well—again I do not know the location although I understand it is in the west—they report 30.4 parts per billion of an organic halogen. Once again I do not know the type. I do not know how the testing was done, but I think it is also important to realize we are talking about 50 and 30 roughly, if this informa-

tion is correct.

I would remind the member that the federally-established guidelines for trihalomethanes in drinking water is 350 parts per billion. Depending upon what this is, it could be well below the drinking water standard guideline for Canada, so I really do not know what it is I am dealing with.

3:20 p.m.

I hope by tomorrow I will have received some information from these individuals and will know where the testing was done so we have some understanding of the reliability of the laboratory. That could be significant. It makes a big difference whether it is tested in somebody's basement laboratory. The results of the 2,000 tests I have shared with this House and with the public in this province were done in what is probably the most sophisticated laboratory by some of the most competent and well-trained individuals anywhere in North America. I do not know what I am responding to in this instance.

Mr. Kerrio: Let us get back to the basic question. What is very important is that we do proper monitoring. My question is, are we doing proper monitoring and did the ministry test those areas, particularly where the known aquifers are moving? It is a question I raised with the minister before. Is it not time we tested all the dangerous sites so we know whether there is movement of dangerous toxics before they reach our water supply? In this instance I wonder if the minister would reply as to whether he would have his people go out and test the westerly side where the aquifers are moving to be absolutely certain there is no movement in that direction?

Hon. Mr. Norton: I can assure the member testing has been done in that direction. If, on the basis of this information, there is any indication there ought to be heightened activity, I would not hesitate for one moment to ensure that is done. By the way, as an additional precaution, we have already recently increased the frequency of the testing to once every two weeks from the previous level of once a month.

What I cannot tell the member is whether in our testing we have also tested the wells from which these samples were allegedly taken. No one has seen fit to share with us the information as to the location of the wells we are talking about. I hope by the end of this day someone will.

Mr. Charlton: A supplementary question, Mr. Speaker: The minister constantly refers to whether or not the levels of substances that have and are being found are dangerous according to national and/or provincial standards. Could he please tell us what that has to do with it? What relevance does that have to the concerns being raised by the people in Stouffville?

The question is not whether anything being found is now at a dangerous level. The question, as the member for Niagara Falls has put it, is whether anything is at present moving out of that dump site. That is the question the minister should be looking to answer—not continually throwing up this smoke screen that the levels may be safe.

We had reports earlier this year from his own ministry of lindane in one well which later disappeared, so they wrote it off. All those things should be followed up by the ministry in terms of determining what is moving out of that dump site. That is what the minister has to determine. When is the minister going to start dealing with that?

Hon. Mr. Norton: Mr. Speaker, I have no idea what the honourable member thinks we have been doing. It is just nonsense that a person who allegedly is a responsible citizen of this province, representing a constituency, could act so irresponsibly as to suggest that is not precisely what we have been doing.

If he is honest with himself and the others in this House, he knows very well there has probably been more intensive testing done of well water, ground water and of that site than in any other area in the history of this province. It is continuing to be done.

He should also know that as a result of some recent drilling that did locate the PCBs, which for some time were believed to have been deposited there more than 10 years ago, a company under our supervision is now engaged in intensive further testing of the site to determine whether there is any mobility.

Mr. Charlton: Why did it take 10 years with all this intensive testing? Why did it take 10 years?

Hon. Mr. Norton: Oh, listen you twerp, calm down. Surely the one qualifying factor for standing for election in this Legislature is that you ought to have already grown up.

Mr. Stokes: Will you add that on to your list, Mr. Speaker?

Mr. Mackenzie: Mr. Speaker, there is a twerp over there.

Mr. Speaker: Order. New question, the member for Oakwood.

Mr. Martel: What kind of crap is that?

Mr. Speaker: Order. Order.

Mr. Laughren: Why don't you make him withdraw that remark?

Mr. Cassidy: Is it parliamentary?

Mr. Laughren: He can't really say those kinds of things.

Mr. Speaker: Order. The member did not raise it.

Mr. Cassidy: Oh, for God's sake.

Mr. Nixon: Twerp is okay.

Mr. Speaker: Just a minute. I will take a look at the record and see what Hansard has said and I will get back. In the meantime, the member for Oakwood has the floor.

UNIVERSITY FUNDING

Mr. Grande: I have a question for the Minister of Colleges and Universities. I wonder if she could please be so kind as to tell me whether this document I have in my hand, the statement by the Honourable Bette Stephenson, MD, Minister of Education, Minister of Colleges and Universities, introducing the final estimates for the year 1981-82, is the document she will be reading at her estimates beginning Monday of this coming week?

Hon. Miss. Stephenson: Mr. Speaker, it was the document prepared for estimates which were to begin on Tuesday afternoon of this week. As a result of the efforts of the two opposition parties they did not begin. I think there may be further developments within the ministry before estimates do begin next week, so therefore I cannot promise that document is precisely what I will be reading as an introduction to estimates.

Mr. Grande: Would I then be correct in looking forward to the statement in this report which says, "The government is going to continue on its restraint program for the coming fiscal year." If that is going to remain in her statement, does it not mean that she has rejected the recommendation of the report of the committee on the future role of universities, and in essence that she is saying to the universities, "Close down."

Hon. Miss Stephenson: The logic of the honourable member totally escapes me at the present time, Mr. Speaker. I do not understand how he could possibly come to that conclusion

from that one simple statement. I believe it is an understood policy of this government that we try to live within our revenue limits as best we can and I believe that policy will continue.

Mr. Wrye: Since the minister has suggested that between now and next Monday when she may be giving us her opening statement she may be making some changes in that opening statement, perhaps one of those changes may be—and I would like to ask if the rumours making the rounds of the universities are true, especially the universities I have been touring—that tuition fees for Ontario's 12,500 visa students are going to be dramatically increased—specifically doubled to approximately \$4,000?

Is the minister now prepared to confirm in the House that the government's first response to the Fisher report which chronicles the persistent underfunding of the post-secondary system of this government will in fact be a money-grab from visa students amounting to some \$25 million?

Hon. Miss Stephenson: Mr. Speaker, I really do not know what the question was. The honourable member was obviously making a statement. I think there was a question at the end about whether I was prepared to say something at this point about a subject which he sees as something which is imminent. At the moment it is not imminent.

Mr. Grande: Mr. Speaker, I do not know whether the Minister of Colleges and Universities uses logic when she does speak because obviously she does not understand the logic I am using. We come from two different points of view, obviously.

3:30 p.m.

But is the minister not aware that the committee on the future of universities has stated in its report that unless the increases to the university at least match inflation plus \$25 million for facilities and labs that need to be redone, the alternative will be that universities will close down? And if they continue their government restraint program the level at which the universities will be funded will be less than a 12 or 13 per cent increase—hence the closure of the universities. Does the minister not agree that is logical?

Hon. Miss Stephenson: No it is not, Mr. Speaker.

MEASLES

Mr. Van Horne: Mr. Speaker, I have a question for the Minister of Health. Data

released by the Canadian Paediatric Society in September this year indicated that the incidence of measles in Canada was 10 times greater than in the US and that 61 per cent, or 8,253, of the total of over 13,000 Canadian cases were in Ontario. Could the minister tell us what he is planning to do about this shocking state of affairs?

Hon. Mr. Timbrell: Mr. Speaker, from my involvement with the subject I recall that the incidence of measles is a cyclical problem. Now, depending on one's point of view, we are at the high point or the low point of a cycle.

This fall we introduced, for new school entrants, what we think is a significant improvement to our immunization program. Measles vaccine is provided free of charge through the ministry to family physicians or to the health units. Under this new program, which began this fall with the new registrants in our school system, the parents are asked to provide us—when I say “us” I mean the health unit officials working through the schools—with the immunization histories of their children. Obviously, if there is no history at all then there is work to be done. That is then drawn to the attention of the parents, and they are usually given the choice of either improving the immunization status through the health unit clinics in the school system or directing themselves to their family physicians.

In this way, we believe, we will be able to improve significantly the immune status of Ontario, which in the main—I think the member was quoting Canadian statistics—he will find is much higher than in most other Canadian provinces.

That program was introduced just this year. But in addition we are looking specifically at the measles question to see whether we need to go further—with respect to that and perhaps one or two other communicable diseases—beyond the voluntary stage.

Mr. Van Horne: Supplementary, Mr. Speaker: Approximately one per cent of all children getting measles require hospitalization and one in every thousand children contracting measles is left with encephalitis, which can kill or permanently injure a child and leave him or her mentally retarded. One child out of every 10,000 contracting measles dies. In view of these statistics will the minister follow the example of the United States, which has implemented a mandatory immunization program and which has a relative incidence of about 10 per cent of what we have here in Ontario?

In other words, voluntary immunization seems

not to be working; mandatory immunization is what we need. Aside from the American experience, medical specialists here in Ontario, such as Dr. Gold at Toronto's Hospital for Sick Children, who is a disease specialist, say that we should have this in place now. What is the minister going to do? Is he going to wait for a real disaster to take place? When is he going to act on it?

Hon. Mr. Timbrell: Mr. Speaker, first, it is not compulsory, to the best of my knowledge, in all of the United States. It is a state matter, and it varies from state to state.

Second, the member is comparing the lowest of American figures—I think in the same report—to some of the highest Canadian figures, not Ontario. Ontario, relative to most jurisdictions in North America, has a very good immune status in its population—not just with respect to measles but also with respect to mumps, diphtheria, polio and so forth.

In certain parts of the province where the rate of immunization is up in the 90 to 95 per cent range, there are areas where even a compulsory program probably would not improve the immunity status an awful lot. We believe one of the reasons for this has been a lack of consistency in the approach across the province. That is why we introduced this feature to the immunization program for new school entrants, and in that way to strive to raise the level of immunity.

In addition to that we have under review, in the ministry, specifically the question of measles, but there are others. It may well be that a compulsory program, even forgetting for the moment that individuals could have some problems with that, could have significant impact on measles as well as in the areas of fluoridation, polio and so forth.

In looking at measles, I am not going to forget that there is a broader policy question too. I hope the member will not forget either.

Mr. Van Horne: Given that I cannot have a final supplementary, I would raise a point of privilege with the minister. The figures are not my—

Mr. Speaker: You do not use one in place of the other.

Mr. Van Horne: While I am on my feet, I would like to point out to the minister that the figures I was quoting were not mine but were figures from the Canadian Paediatrics Society.

ROYAL COMMISSION ON THE NORTHERN ENVIRONMENT

Mr. Stokes: Mr. Speaker, I have a question

for the Minister of the Environment. How is the minister going to respond to the charges made by the Grand Council of Treaty 9, and others, that the Royal Commission on the Northern Environment should be scrapped because it is a waste of money and is irrelevant? They charge that it has given false hopes and that, after four years of study, actually nothing has developed.

The only communication we have had from that body in the last two years is that they are waiting on this government to indicate what kind of policy they have for economic development in the north. In fact, it was their mandate to do just that for this government.

How will the minister respond to those charges that the commission is now irrelevant?

Hon. Mr. Norton: Positively. Would the honourable member like me to say enthusiastically? I, personally, have not been in receipt of those remarks, but I can assure the member that the operation of the royal commission is very much on my mind at the moment. As soon as I have had an opportunity to discuss it further with my colleagues, I will be prepared to respond further on that.

REPORTS

SELECT COMMITTEE ON PENSIONS

Mr. J. A. Taylor from the select committee on pensions presented the committee's report and moved its adoption.

Mr. J. A. Taylor: Mr. Speaker, I have a brief statement to make, if I may.

As chairman of the select committee on pensions, I am pleased that the interim report tabled today represents a consensus of all committee members on those issues that can be addressed with a minimum of cost and effort by employers and employees.

This report represents an important first step towards pension reform that should be taken if we are to ensure a brighter financial future for those who retire. However, more complex issues must be examined by the committee, and will be in the new year.

3:40 p.m.

I know all the committee members are looking forward to the completion of their task in 1982. In the meantime, it is hoped that this interim report will assist the government in the preparation of a legislative pension reform package.

In accordance with standing order 30(c), I now move that the debate be adjourned.

Mr. McClellan: Mr. Speaker, on a point of order, I do not disagree with anything the chairman has said but, as a member of the committee, I do feel obliged to bring to your attention the fact that the committee report was transmitted directly to the printers without the members of the committee having had an opportunity, not only to sign the report or to decline to sign it but also to read the final draft.

I simply raise this as a procedural point. I think it is important to the proper functioning of select and standing committees that, before reports are forwarded to the printer, let alone tabled in the House, all the members of the committee should have the opportunity to read the final draft.

I would say as well that my experience on select committees always has been that the members have the opportunity to affix their signatures to any report prior to its being sent to the printers and being tabled here in the Legislature.

Mr. J. A. Taylor: Mr. Speaker, if I may respond to those comments, I appreciate very much the concern of the member for Bellwoods. As a matter of fact, he has made a great contribution to the work of the committee, and I was delighted to have him on the committee and to review the report with us. As he very well knows, we did review and read the draft report prior to printing.

I also inquired as to the necessity of each and every member signing it. I think that is the issue the member raises, and rightfully so. I raised the same issue myself, if I may say that, and the instruction I had from the Clerk's office was that the rule now is that the chairman of the committee signs the report and it is not necessary for each member to do so.

In accordance with that, I presume that the draft, as reviewed by the committee members, was forwarded to the printer for printing, and I am assured it manifests precisely the wording of each paragraph as settled on by each and every member of the committee.

Mr. Martel: Mr. Speaker, on that point of order: I find what my friend has said very interesting. I do not know where the Clerk got the idea that he could give that type of instruction. Surely that is up to the committee to decide.

On all the select committees I have been on, the practice has been that every member is given an opportunity to read the final draft and every member affixes his signature to that

report. In the past, where a member of a committee has gone to cabinet, there has been a blank left.

I do not know why this has changed without the authorization of at least the committee or this Legislature. I resent it, Mr. Speaker, and I ask that you make sure it does not occur again.

Mr. Speaker: Thank you very much; and I want to thank the member for Bellwoods for raising the point.

Mr. Williams: Mr. Speaker, on the same point of order, if I may: First and foremost, I want to say, and I am sure all members will not disagree on this one point, the chairman has done an excellent job in the work of the committee up to this time, and I am sure he will continue to do so. He has given excellent leadership and direction to the committee.

However, I must regretfully support the concern that has been expressed here this afternoon, because it was my understanding that some opportunity would be provided to review the final draft of the report before it was tabled in the Legislature.

I think the members will concede that, while it would appear to convey a consensus of thinking of the committee members, there were several recommendations in that report that created quite a bit of controversy and debate during its preparation.

If we had had an opportunity to see those recommendations in the final form before being tabled, it might well be that there would not have been that consensus of thinking and there would have been dissenting points of view appended to that particular report. It is unfortunate that opportunity was not provided so that clearly it could have been a consensus of thinking. At this point in time that remains a clouded issue.

Mr. Epp: Mr. Speaker, as a member of that committee, I want to associate myself with the comments made by the member for Bellwoods and the subsequent comments by the two members. I felt that I would have an opportunity to see the final draft and to add my signature to the preliminary report. I did not have that opportunity.

I regret very much that this advice has been given to the chairman by the Clerk's office or by whoever it was from the Clerk's office. I believed there was a convention here that members should have the opportunity to sign a report of this nature; and if somebody takes it upon himself to change that, it should be either

the committee or the House that makes those changes rather than an individual in the Clerk's office.

Mr. Martel: I just want to ask, Mr. Speaker, if he will refer this matter to the procedural affairs committee for its consideration.

Mr. Speaker: I just wanted to thank all those members who—

Interjection.

Mr. Speaker: Did you want to—

Mr. Stokes: I am not going to interrupt you, Mr. Speaker. You are on your feet.

Mr. Speaker: I just want to say thank you to the members who spoke and to the member for raising that point in the first place. It was news to me.

There seems to be some confusion as to why it happened. I would like to assure all the members that I will take immediate steps to ensure that it does not happen again, either through misinformation or confusion or whatever happened—I do not know.

Certainly everybody on the committee should have an opportunity to read the report prior to its being tabled, in my view. I hope this report will not come forward for debate until such time as all members have had the opportunity to make themselves more familiar with it.

I will be glad to take your point under consideration. Thank you very kindly.

Mr. J. A. Taylor: Mr. Speaker, there is no confusion in my mind. With respect, may I point out in regard to the sequence of events that in my experience it has been the custom for members of a select committee to individually sign a report. I had fully expected that custom would be carried forward.

However, I want to make it abundantly plain that the information was conveyed to me that apparently that was not the procedure; not only was it unnecessary but, on the contrary, it was not done any more. That was the information that was conveyed to me.

I want to point out to you, Mr. Speaker, that there is no confusion in my mind as to the events.

In regard to your comment, sir, concerning the contents of the report, I do not think there should be any confusion in the public's mind that the individual members of the committee are not acquainted with the contents of that report. I think members can confirm that fact themselves, because they were very involved, studiously involved, in the drafting of the report.

What is really being debated now is a reading of the report in finished form prior to its printing. I wanted to clarify that, Mr. Speaker, for you and the assembly.

Mr. Speaker: Thank you, Mr. Taylor; that was the very point I was trying to make. But I will take a very close look at it.

On motion by Mr. J. A. Taylor, the debate was adjourned.

3:50 p.m.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government reported the following resolution:

That supply in the following amount and to defray the expenses of the Office of the Assembly be granted to Her Majesty for the fiscal year ending March 31, 1982:

Office of the Assembly program, \$27,347,600;

And that supply in the following amount and to defray the expenses of the Office of the Ombudsman be granted to Her Majesty for the fiscal year ending March 31, 1982:

Office of the Ombudsman program, \$3,493,000.

MOTIONS

HEALTH ESTIMATES

Hon. Mr. Wells moved that the time allocation for consideration of the estimates of the Ministry of Health be changed to 16 hours.

Motion agreed to.

SUPPLEMENTARY ESTIMATES

Hon. Mr. Wells moved that the supplementary estimates presented Tuesday, October 13, be referred to the same committees to which the main estimates have been referred for consideration within the times already allocated.

Motion agreed to.

COMMITTEE SUBSTITUTION

Hon. Mr. Wells moved that the following substitution be made: on the standing committee on procedural affairs, Mr. G. Taylor for Mr. Piché.

Motion agreed to.

INTRODUCTION OF BILLS

POWER CORPORATION AMENDMENT ACT

Hon. Mr. Welch moved, seconded by Mr.

Ramsay, first reading of Bill 141, An Act to amend the Power Corporation Act.

Motion agreed to.

ASSESSMENT AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Mr. Ramsay, first reading of Bill 142, An Act to amend the Assessment Act.

Motion agreed to.

Hon. Mr. Ashe: Mr. Speaker, the purpose of this bill is to provide that the census now taken annually under the Assessment Act will be taken in full only in municipal election years. In other years a limited census will be conducted.

This bill will also transfer the responsibility for determining school support to the regional assessment commissioner from the clerk of the municipality.

Further, this bill will postpone to December 1982 the return of assessment rolls at full market value across the province. The bill will allow us to continue with the section 86 reassessment program, which has been successfully implemented in 247 municipalities to date. Approximately 120 more municipalities are considering reassessment under section 86 for implementation in 1982.

In addition, in this bill I am proposing administrative amendments to further clarify and update certain operating provisions within the Assessment Act.

ENVIRONMENTAL PROTECTION AMENDMENT ACT

Hon. Mr. Norton moved, seconded by Hon. Mr. Wells, first reading of Bill 143, An Act to amend the Environmental Protection Act.

Motion agreed to.

ONTARIO WATER RESOURCES AMENDMENT ACT

Hon. Mr. Norton moved, seconded by Hon. Mr. Wells, first reading of Bill 144, An Act to amend the Ontario Water Resources Act.

Motion agreed to.

PESTICIDES AMENDMENT ACT

Hon. Mr. Norton moved, seconded by Hon. Mr. Wells, first reading of Bill 145, An Act to amend the Pesticides Act.

Motion agreed to.

INTERNATIONAL BRIDGES' MUNICIPAL PAYMENTS ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Gregory, first reading of Bill 146, An Act respecting certain International Bridges.

Motion agreed to.

Hon. Mr. Bennett: Mr. Speaker, before I introduce the next bill, may I apologize to the opposition parties? My understanding was that the statement I made earlier today was to have been communicated to them as it was to the press gallery but, unfortunately, for some reason or other communication seems to have broken down.

MUNICIPAL BOUNDARY NEGOTIATIONS ACT

Hon. Mr. Bennett moved, seconded by Hon. Mr. Wells, first reading of Bill 147, An Act to facilitate the Negotiation and Resolution of Municipal Boundary and Boundary-Related Issues.

Motion agreed to.

4 p.m.

TOWN OF LINCOLN ACT

Mr. Andrewes moved, seconded by Mr. Barlow, first reading of Bill Prll, An Act respecting the Town of Lincoln.

Motion agreed to.

RESIDENTIAL TENANCIES AMENDMENT ACT

Mr. Wildman moved, seconded by Mr. Stokes, first reading of Bill 148, An Act to amend the Residential Tenancies Act.

Motion agreed to.

Mr. Wildman: Mr. Speaker, the effect of the amendment is to have part XI of the act, dealing with rent review, apply to rental units—such as housing, apartments and mobile home parks—operated by municipalities.

TERMINAL OPERATORS SAFEGUARD ACT

Mr. Kolyn moved, seconded by Mr. Pollock, first reading of Bill 149, An Act to Safeguard Terminal Operators.

Motion agreed to.

Mr. Kolyn: Mr. Speaker, the purpose of the bill is to set out standards for terminal and equipment use, with eye care for terminal operators and education of operators concern-

ing hazards involved. Rest periods are made a requisite, and reimbursement for costs of required eye care is provided.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS MUNICIPAL SUNSHINE ACT

Ms. Bryden moved second reading of Bill 132, An Act respecting Public Access to Meetings of Municipal Councils and Local Boards.

Ms. Bryden: Mr. Speaker, I would like to reserve any time that I do not use in my opening remarks for final comment.

Mr. Speaker: I was just going to point out that the honourable member has up to 20 minutes and may reserve any portion of that time she may see fit for windup.

Ms. Bryden: Thank you, Mr. Speaker. The question that people may ask is, "Do we need a Municipal Sunshine Act in Ontario?" Such laws have been enacted in some jurisdictions in the United States, but this would be a first for Canada.

I believe there is a growing consensus that effective democratic control of public bodies is possible only if those affected by their decisions have knowledge of how the decisions are reached. There is also a feeling that elected persons must be more accountable to their electors.

As we move to decentralize many functions of government to local bodies there is need for the persons affected by legislation at the local level to have more opportunity to participate in the process. For these reasons the need for sunshine legislation becomes more apparent.

The Ontario Royal Commission on Freedom of Information and Personal Privacy concluded in its 1980 report that "the existing law of Ontario is inadequate to ensure that members of the public are able to attend and observe the deliberations of municipal government institutions in Ontario." It recommended that all meetings of local government bodies and their committees, including executive committees and committees of the whole, be held in open session, subject to certain specified exemptions.

The Association of Municipalities of Ontario, in a brief to the royal commission in 1978, stated it would support legislation "which would establish clear rules concerning the conduct of public business in municipalities by stipulating that all meetings of council, committees of council and local boards shall be open to the public, subject

to certain specific exceptions required to protect the public interest and the rights of individuals."

The Ontario Press Council discussed the question in April 1981, when it dealt with a complaint from the London Free Press against the Elgin county council regarding secret committee meetings. It agreed with the royal commission that "public business ought to be conducted in public as much as possible and that the only sure remedy lay in legislation setting minimum standards of openness for all municipal bodies."

At the provincial level the sittings of the Legislature and most legislative committee meetings are open to the public. At present under the Municipal Act, municipal councils and local boards are required to hold open meetings, but the law is silent on meetings of committees of the whole and standing committees. A great deal of business is transacted in these committees.

While many municipal councils and local boards do open their committee meetings to the public, there is no obligation on them to do so. This bill will make it mandatory for councils and local boards to open all meetings except those dealing with certain exempted matters listed in the bill. The exempted matters include the purchase and sale of property, litigation, personnel matters, contract negotiations with employees and certain policing matters. The closing of meetings dealing with these matters is permissive, so councils and boards will have discretion to open any meeting dealing even with these exempt items if they so choose.

Local boards are defined in the bill to include school boards, police commissions and all special-purpose bodies such as utility commissions and library boards.

Recently the Ministry of Municipal Affairs and Housing (Mr. Bennett) conducted a survey of the practices followed by Ontario municipalities with regard to the openness of meetings. They asked about meetings of standing committees and committees of the whole. The minister kindly supplied me with a report on the survey when I requested it. The report indicated that about 59 per cent of the approximately 400 municipalities which responded to the questions, held standing committee meetings open to both the public and the press, and only a little over 41 per cent opened committee of the whole meetings.

About half of the 832 municipalities covered by the report did not answer the question. The

reason may be that many of the smaller municipalities do not have standing committees and many of the larger municipalities do not use committee of the whole. Also, the figures probably understate the extent of closed meetings, as those municipalities engaging in the practice are least likely to reply to the question.

4:10 p.m.

It is interesting to note that open meetings of standing committees are more common in cities, boroughs, regions and villages than in towns, townships and counties. About 90 per cent of the cities, boroughs and regions have open standing committee meetings, while only about one half of the towns, townships and counties do. Two thirds of villages reported open standing committee meetings, but a great many villages do not have standing committees. Only about one third of the local bodies and districts in the north open up standing committee meetings. With regard to committee of the whole meetings, between 71 and 83 per cent of cities, boroughs and regions open them up. Only about one third of towns, townships and villages and a little over one half of the counties do.

In actual fact, the study found 168 municipalities that closed standing committee meetings to the public and the press, and 266 municipalities that closed committee of the whole meetings. Unfortunately, the report did not identify those municipalities. I think the public is entitled to know which ones closed committee meetings. I am asking the minister to table a more complete report on the survey showing this information. In my view, the need for sunshine legislation exists if any local bodies spending public funds exclude the press and public from any meetings at which public business is discussed and decisions are made.

I would like to stress that my bill will not ensure full opportunity for the public to follow the decision-making process, until we also have a freedom of information act on the statute books of this province that will be applicable to both provincial and municipal documents and reports. I am very disappointed that the government has again stalled the process of getting such a law on the books by piling yet another study on the mountain of studies and reports we already have on this subject. It makes me wonder how serious the government is about a freedom of information law.

I should also point out that an open meeting law cannot be effective without adequate notice to the public as to the dates, times, places and agendas of meetings. My bill calls for reason-

able public notice, but it leaves the details of implementation to the municipalities. Some municipalities now publicize their meetings by placing notices and agendas in public libraries as well as in municipal offices. Others use the local press. I would hope newspapers might publish a regular weekly listing of all meetings scheduled as a public service. It would be up to the municipalities to provide them with a listing.

We have an example of the kind of legislation my bill represents in the Michigan Open Meetings Act, which was passed in 1976. A very wide swath of local publicly funded bodies is covered. It even includes public colleges and universities, community colleges and public hospital authorities. It provides for an enforcement procedure whereby any citizen can challenge in court the validity of a decision of a public body made in violation of the Open Meetings Act. It also permits citizens to request that their names be put on a mailing list so that they are notified in advance of any class of meetings. As far as I know, the act is operating satisfactorily.

We must recognize that provincial legislation in this field provides only a framework within which the decisions about openness are to be made. Local bodies will still decide whether to close meetings in the exempt areas. They will also decide what is reasonable notice of meetings. There will be fears that more open meetings will lead to more political grandstanding. There will also be concerns about the costs of advertising meetings and printing more agendas. Some local bodies may not be able to accommodate observers and press without renting or building bigger meeting places.

However, there are many offsetting advantages. Residents will have a greater opportunity to participate in shaping their own community. This is particularly true if deputations are allowed. Elected persons and officials will be more responsive to the people they govern. Citizens may even help them avoid costly mistakes. People will develop skills in self-government as a result of being involved in the process.

Openness will also lead to greater understanding of decisions and, therefore, to more acceptance of decisions and necessary compromises. A sense of fairness will come about if citizens can see that everyone is receiving equal treatment and consideration as far as possible. Openness will also enable citizens to evaluate the quality of government and of their elected representatives. In my opinion it is essential that

if people are to have effective political control over services provided by local bodies we must have open meetings.

For the press and media, open meetings will add greatly to the public accountability of elected officials. It will enable citizens who do not have time to attend many meetings to be informed on the issues and deliberations of public bodies. Press and media focus will reinforce the participation of residents in deputations and lobbying activities.

Media coverage of council and board decisions without access to all meetings will be less informed and may possibly be inaccurate because information has to be channelled through third parties or come through leaks and brown paper envelopes. It is sometimes difficult for the press to sort out fact from fiction.

I do not think I need to convince the Minister of Intergovernmental Affairs (Mr. Wells) or the Minister of Municipal Affairs and Housing (Mr. Bennett) of the value of openness.

Mr. Nixon: They are all listening very carefully.

Ms. Bryden: Yes, I notice neither of them is here to hear my comments.

Last May 1, the Minister of Intergovernmental Affairs, replying to a question from me, indicated he was unequivocally in favour of provincial legislation to open up local meetings. However, we have had no action from him since then. The Minister of Municipal Affairs and Housing, heading up that new ministry, also endorsed the principle at the August meeting of the municipal associations when he stated flatly, and I quote, "The rule must be openness." To date, there is no sign of legislation from him to back up his lipservice.

I have pointed out to the Minister of Municipal Affairs and Housing that if he really wants to put the principle of open meetings into effect immediately he could throw his support behind my bill today. If there are details which he or other members do not accept, it can be amended in committee and put on the statute books this session. If he and other members instead stand up to block this bill, they will be indicating they really do not believe in open meetings and the essentiality of sunshine laws in this province.

The Acting Speaker (Mr. Cousens): You will have four minutes in closing.

4:20 p.m.

Mr. Kells: Mr. Speaker, I particularly asked my party caucus for the opportunity to speak to

this bill. I have a very personal reason, and there are two particularly important points from where I sat when I was a municipal councillor.

Out in Etobicoke, where I was comptroller before joining this assembly, we received private members' bills regularly, and most often from the NDP, in which they would ask the municipal council to endorse, if you will, a motherhood subject. We would find ourselves debating this endorsement at the municipal level at some length, and, particularly if it involved a motherhood issue, it would be duly passed and would involve the circulation of a great deal of paper across Ontario.

I often complained to my fellow members in Etobicoke that there was not enough backup information representing the other point of view and that it was rather clever manipulation on behalf of the NDP to appear to be speaking on a variety of issues at one time.

We also took this matter up at Metropolitan Toronto council, and many Metro councillors felt that maybe we should talk to our MPPs and ask that when these private bills arrive at the municipal level two sides of the subject be clearly investigated.

We discussed the subject of freedom of information at great length in Etobicoke. I was the first chairman of the freedom of information committee in Etobicoke, and I can assure members it was a long, drawn-out process.

Sometimes we hear people comment on openness in government to the point where we actually begin to believe that possibly some of the decisions we are making are made in too much secrecy without due regard for the wishes and concerns of the people we represent. I would like to point out that we sat over a period of six months. We made a rather exhaustive study. We asked every ratepayer group, every politician, every public interest group to appear before the committee. When it all boiled down we found that what we were doing constituted, in just about all cases, about as much openness in government as one can get.

The concern I had, and something I learned to appreciate in greater depth, was that as a politician I was possibly not getting the whole story from the civil servant or the public servant, and that concerned me at a greater length than the matter of the public understanding or knowing how decisions are made.

In the process of studying this subject I also decided that there is a certain amount of danger in what the member for Beaches-Woodbine is suggesting in relation to decisions that we have

to make. I understand that she has exemptions when we are talking about property acquisition, union negotiations and other items, but we found in Etobicoke that in a case of arriving at decisions to purchase property it was not necessarily the amount, it was not necessarily the decision, it was an in-depth discussion—

Mr. Mackenzie: Mr. Speaker, on a point of order: I would ask you to check if there is a quorum in the House.

There are more members of the third party than there are on the government benches.

Mr. Speaker called for the quorum bells.

On resumption:

Mr. Kells: Mr. Speaker, I was at the point where I was reiterating the Etobicoke experience on the subject of freedom of information. Two major situations came to mind as we processed government in the borough of Etobicoke. They were in the area of purchasing land from the local school board. The deliberations surrounding the purchase of that land did not necessarily involve the decision. It involved very sensitive handling of that whole purchase. To my knowledge, possibly because of objections or potential misunderstandings, as a council we would have been unable to organize the purchase of the land, and we subsequently sold the land for a housing development and used the money we realized from the profit of the sale to build a new fire hall in our borough.

That pointed out to me very strongly the potential for two or three politicians or one ratepayer group to scuttle a decision that ultimately meant \$1 million to the taxpayers of Etobicoke. I felt very strongly that if we had to have complete openness in all our deliberations, we would not have been able to make that major decision which worked so well for the taxpayer.

In the same vein, the situation cropped up again involving land in the north end of the borough. We were able—because of the way we did business and they currently do business in Etobicoke—to make the arrangements, which are again going to result in a considerable saving for the taxpayers in the borough. I would be afraid of any type of legislation that might inhibit the ability of a municipal politician to operate for the benefit of the taxpayers of the borough he represents.

4:30 p.m.

When we went all through the six months of hearings we put together a basic plan, not very much different from the way we had been operating. There were no major differences, but

what we had been able to do was spell out the relationships between ourselves and the public servants and the relationships between ourselves and the public.

In this same regard the member for Beaches-Woodbine mentions the results of the survey. The cities or the towns and places are not identified, but she makes the observation that openness is most common in cities, boroughs, regions and villages. It would appear that openness is a fairly common thing in larger communities.

Of course, if one follows that through, it would be fairly simple to understand that where there are large media it almost guarantees openness and that possibly in areas where there is less media and less population, openness in government is not practised as often. Nevertheless, the ability to operate in the open is there, as she well knows. I think the percentages might be somewhat deceiving because some communities, for example, go to the committee of the whole House only when they are discussing sensitive subjects or subjects that might require a closed door.

I will not read the details of our policy in Etobicoke, but we evolved a written policy for council members; we evolved a policy for members of the public; we evolved a policy for agendas and their publication and we evolved a code for in-camera meetings, particularly in the area of triggering going into camera. When it was all said and done, everybody agreed. It was passed unanimously and accepted but we did not pass putting it into bylaw form.

In general terms, we know how we operate, the system works, we did not feel the need to put it in bylaw form, nor do I today feel the need to put openness in government into legislative form. I think the minister's position whereby a municipality on its own can pass or have a way of operating that is open is the best way to go.

Mr. Epp: Mr. Speaker, I am pleased to see that the parliamentary assistant is here, but I am very disappointed that the Minister of Municipal Affairs and Housing—who only a few months ago when he assumed the new responsibility said how much attention he would pay to this new portfolio—is not here. Maybe one of these days he will show that he is serious about his portfolio rather than just speaking about it. I am glad to support—

Mr. Rotenberg: He is in another municipality doing a very important job with that municipality.

Mr. Epp: I am sure, I am sure. The parliamentary assistant is saying the Legislature is not important.

Mr. Rotenberg: The Legislature is important. Municipal problems are important too.

Mr. Epp: I am pleased to say I will support the bill in principle and I am sure a number of my colleagues will support it in principle. I believe it is something whose time has come.

We all know, and as the member for Beaches-Woodbine has indicated, a lot of municipalities—small municipalities and large municipalities—have had closed meetings to date. For many decades some of them have closed their meetings to the public. I do not think that is a healthy situation in a democracy. I believe the public has a genuine right to know what is going on in those meetings.

I am surprised that the Ministry of Municipal Affairs and Housing has not taken a more active role in drawing to the attention of these municipalities how they are violating the trust of the ratepayers in their municipalities and in getting them to open up their meetings, be they committee meetings or council meetings, to the general public.

What has been happening in a number of situations is that they have been taking straw votes. They have had closed meetings, in camera meetings, secret meetings, and they have taken straw votes among the councillors or the aldermen of that municipality. Then the same vote is taken in the open later on, after they know exactly which way the decision is going to go and exactly which way the various representatives are going to vote.

As we all know, the London Free Press drew to the attention of the Ontario Press Council the difficulty they had in getting genuine information from these closed council meetings. I was surprised to learn from one article that one of the councillors had the audacity to say he was opposed to open committee meetings for the simple reason that “committee meetings are only recommendations to council.”

On that basis, despite the fact that this was where a lot of discussion—probably the major part of the discussion—was taking place, he had the gall to say the public did not have a right to know what each of the individual councillors was saying on a particular subject.

Nevertheless, after 132 years in operation in Lambton county—and it was an alderman in that particular municipality who was quoted—the committee, by a close vote of 27 to 22, voted in favour of having an open meeting. That says a

lot for democracy. At least 27 people thought the people had a right to know what was going on.

From my own experience in the city of Waterloo we always had the committee meetings open, except for the kind of exemptions that are built into this particular bill, both at the committee and at the council meeting. I do not recall that we encountered any real problems.

The only problem we did encounter was at one time when the meetings of the administrative committee, of which the mayor was a member, discussed various matters. At that time, more and more aldermen were participating in the administrative committee meetings; it was not originally expected that they would be there, but they started coming more often, because they were in various private endeavours. At one point we had to make the decision that no elected representatives could come to the administrative meetings, simply because it looked as if it were a secret meeting and decisions were being made before they went to council.

Before my time is up, I want to speak on a few reservations I have about the bill, and maybe the member for Beaches-Woodbine can clarify some of these situations for us or can clarify what she intended in the bill, because it is not clear from reading the bill what is really intended.

For instance, would executive committee meetings be closed? She does not refer to school boards but I assume, since they do not fall within the Municipal Act, that school boards would be exempt from this particular—

Mr. Breagh: Has the member read the bill? It gives him a definition.

Mr. Epp: I have read the bill. She says—

Ms. Bryden: School boards are under the definition of local boards.

Mr. Epp: Another part is in section 3(b), where she is speaking about the purchase and sale of property. A municipality not only purchases property but often also purchases services. It is sometimes very difficult to make some of these facts public at a particular time. If a bill of this nature were to be implemented, it should exempt services in addition to the sale of property.

When we speak about personnel matters, it appears to me that if only the person most directly affected in a decision can decide whether that particular meeting should be open or closed we are getting to a kind of kangaroo

court situation. I think the council or the body making that decision should have the right to decide whether it is open or closed, and not only the person who is affected.

4:40 p.m.

With respect to section 4(2), which states that everyone "directly affected by any matter. . . shall be given written notice," I find that somewhat cumbersome. I presume the member is not saying this should be only an advertisement in the paper; I suppose she is saying everyone should receive written notice. I think she is nodding her head in favour of saying she is not saying that only an ad in the paper will suffice.

I draw to her attention that what one could have here is a council making decisions on matters that directly affect the public, such as in a budget meeting, and having to send out personal notices to every ratepayer in the municipality, saying, "We are going to have a budget meeting, and we are going to be discussing all the items at the time of that budget." That would be particularly expensive. It is an expense the public should not have to endure. In all fairness to the member, I do not believe she intended that to occur. Yet if one reads the bill the way it is stated, one could easily draw that conclusion from it.

I believe there are other examples whereby, if one is talking about changing zoning regulations, according to the Ontario Municipal Act, people within 400 feet are informed of a hearing with respect to zone changes. Maybe that would suffice in this case. I am not quite sure.

I know the time is drawing nigh when my time will be up. I would be glad to support the bill, but with the reservations I have indicated.

Mr. Charlton: Mr. Speaker, I also rise in support of Bill 132, and I welcome the comments of the previous speaker and his support for the bill in principle. We are all aware that the process on second reading is support in principle; the committee process thereafter could deal with some of the questions and concerns that have been raised, and any oversights perhaps could be dealt with through amendments.

For a few minutes, I want to refer back to the member for Humber, who spoke for the government party a few moments ago, because I think, unfortunately, the member missed the whole point of the bill.

Throughout the course of his speech, he referred repeatedly to a process that went on in the municipality of Etobicoke of researching the question of open meetings and to the

openness in the operation of the municipality; he restricted himself exclusively to that municipality.

Simply put, the reality is that, no matter how well the municipality of Etobicoke may perform in terms of openness, there are some problems out there in this province, as has been related by my colleague the member for Beaches-Woodbine and by the member for Waterloo North. Those problems are real; they do exist.

How well the municipality of Etobicoke functions in terms of openness is of little real consequence to this debate. The next council in the municipality of Etobicoke may not be quite as willing to perform as nobly as the past councils to which the member refers.

He also made a point a number of times of stressing that there were certain decisions relating to money that council made in camera which he felt that committee perhaps could not have made quite as easily if those meetings had been open to the public.

I suggest the question here is where the greatest weight falls. Is it more important for a council to have the right from time to time to make perhaps a very good decision in camera, without consulting or providing information for the public, when that decision may work out well? Or in most cases on a continuing basis is the weight desired on the other side of the coin?

Is it not the purpose of the democratic process to ensure on every possible occasion that the public is fully aware of all the facts concerning decisions that are being made on their behalf, whether they be good decisions or, in some cases, bad decisions?

The public has the right, at the time of the decision, to lobby and generate public support for or protest against that particular decision so that at the time of elections, probably the most crucial part of the democratic process, the public is fully aware of the details, the rationale and the particular positions of people on that decision.

There is no way a voter can rationally vote if the voter does not know, on the one hand, the specific details and rationales and, on the other hand, who took which positions. How can a voter ever be reasonably expected to make an informed vote on questions about which that voter is not fully apprised? That is the kind of thing we have to protect.

The debate around open meetings, and even some other debates that emanate from that, has been going on in a number of municipalities across this province. Some municipalities are

having difficulty in dealing with the question because, as the member for Waterloo North suggested, the votes are sometimes close.

There are still some very antiquated views about the openness of the political process out there in this province. We have been going through that debate in Hamilton-Wentworth and in the city of Hamilton itself, and they are having some difficulty in coming to a good, solid resolution of the question.

The debate even extends beyond open meetings. The debate also revolves around the question of availability and access to information, not only for the public but also, believe it or not, for the councillors themselves. For us to be in that kind of a situation in Ontario in 1981 is almost beyond my belief.

For the protection of the democratic political process we so treasure in this country and this province, and for democracy to operate at its maximum in terms not only of information but also of the public's right effectively to exercise its democratic power, it is imperative that there be openness in as many situations as it is possible to allow that to occur.

The member for Beaches-Woodbine has recognized in this bill that there are some circumstances which, at least in the initial instance, either have to be kept private or should be kept private. We recognize that. The member for Waterloo North has raised some questions about that, and I think the member for Beaches-Woodbine would be prepared to deal with clarifications and/or amendments to some things that perhaps were missed in the drafting.

However, it is extremely important for the future growth of democratic participation on the part of citizens in Ontario, at the municipal level and at all other levels, that the concept expressed in this bill be pushed forward in legislatures like this one and that we provide the leadership for the future of Ontario's municipalities.

4:50 p.m.

The Deputy Speaker: The member for Wilson Heights (Mr. Rotenberg), I believe, has a minute or two.

Mr. Rotenberg: I will be very brief, Mr. Speaker, because I have so little time left. The member who called the quorum is no longer in his seat. That is what took up the time I normally would have had to speak.

I am sure the member for Beaches-Woodbine, when she quoted both the Minister of Intergovernmental Affairs (Mr. Wells) and the Minister

of Municipal Affairs and Housing (Mr. Bennett), did not mean to misquote, but on May 1, when the Minister of Intergovernmental Affairs made his statement, he did not say he promised or favoured legislation; he simply said he favoured openness with limited exceptions within councils.

The Minister of Municipal Affairs and Housing did tell the Association of Municipalities of Ontario that he favoured openness within council meetings, but he also said he wanted to rely on persuasion for the time being and not to use legislation at this time.

As well as favouring openness in local council meetings—and some councils are not obeying the present law that requires open council meetings; they are obeying the letter of the law but not the spirit—there is also such a thing as local autonomy.

There should be a set of rules for openness in council meetings, such as Etobicoke has. But I think it is better if each municipality sets its own rules to its own public, because the public in each municipality knows what is going on, whether those meetings are open or closed. Perhaps we in the Legislature do not know what is going on in every one of the 850 municipalities, but certainly the people in each municipality do.

There must be a set of rules in each council, and there must be openness in each council. That was the stand the minister took. He said he wanted to do it by persuasion and not by legislation at this time. It is my understanding that AMO were happy with the minister's stand at that time. Because of that speech and because the minister said, in effect, "If the municipalities do not do what they should be doing then legislation may be required," a number of councils have changed their stand within the last month or so.

This all arose partly because of Elgin county council. I quote a headline from the London Free Press of September 10: "Elgin council committee meeting open to public for first time." Elgin has changed. Smooth Rock Falls opened up its committee meeting in September. Elliot Lake, which had closed its doors previously, now is opening its council meetings. "Bid to keep press out of Nipigon council meeting fails."

The point is that the minister's stand before AMO, when he said, "We want openness; we want each of the councils that is not practising it to go back and do so," has been working. Councils are changing.

I apologize to the member for Waterloo North (Mr. Epp), who seems to think that ministers have to be here. I think I can express the opinion of the minister, perhaps not as well as he can, and he does have other responsibilities besides being in the House. This is private members' hour, and it is better that private members speak and not cabinet ministers.

The stand of the minister is very plain. He wants openness in council meetings. He has given the municipal councils that are violating the principle time to clean up their act. He has said very plainly and publicly that, if that does not happen, then legislation is likely.

Ms. Bryden: Mr. Speaker, while I agree that cabinet ministers have other things to do, I think the minister whose responsibility is municipal affairs should certainly be here for an important debate of this sort, especially when it is on a principle he has endorsed.

If we are engaging in actual quotes, I should remind the parliamentary assistant that the Minister of Municipal Affairs and Housing did say in his speech at the municipal conference, "The rule must be openness." Surely "rule" means a law. Also, the Minister of Intergovernmental Affairs on May 1 did say, "We are looking at this area for legislative change"—he was aware that it might be necessary to bring in legislation—and then he endorsed the principle of openness. So I think he is still looking at the possibility of legislative change.

I am disappointed that the government has not brought in a bill on this already, because the fact is that 266 local bodies reported that they closed committee of the whole meetings and another 168 reported that they closed standing committee meetings. A great many did not reply to the questionnaire.

The problem is there, the evolutionary process is not working and these municipalities, of which there are a considerable number, are still excluding the press and the public from their deliberations. As a result, the public is at a great disadvantage in exercising its democratic rights. For that reason, I think we must have sunshine legislation in this province.

With regard to the comments of the member for Humber, I notice that he stressed there are dangers in openness. That is always the defence of elected representatives who do not trust the people and who think the reasons for putting through a decision or making a deal may not be understood by the public. I am afraid it is the first defence of a dictator who thinks that he knows best and the public should not be taken into his confidence.

With regard to the comments of the member for Waterloo North, I am very glad to know he is supporting the bill, and I agree that there may be some wording that could be clarified or strengthened in committee. In particular, I refer to the suggestion that sales of services perhaps should be considered in the same way as sales of property and things of that nature; they could be dealt with in committee. So there is no reason for holding up second reading on the question of details of that sort.

Concerning the member's point about notifying people who are directly affected, I had in mind the way people are notified on a zoning bylaw: all those who are within 400 feet. I think the meaning of the phrase "directly affected" could be refined by the municipal councils, and it would then be feasible to have it there. It certainly does not mean everybody who is affected by the budget of a municipality.

I still hope the government party members will not troop in and block this bill because, if they do, it will show that they really do not believe in the democratic process.

SEATBELTS

Mr. Robinson moved resolution 14:

That this government take steps to amend the Highway Traffic Act and change the corresponding regulations dealing with the use of a seatbelt assembly in motor vehicles such that protection under the act be extended to children under the age of five years so as to ensure that children are adequately restrained and protected as passengers on the highways of the province of Ontario.

Mr. Robinson: Mr. Speaker, I wish to draw to your attention and to the attention of the members of this House a steadily rising problem, that of motor vehicle fatalities among children under five years of age. These children and infants are not protected by existing seatbelt legislation and, while a large portion of Ontario parents have provided restraint devices for their children, the majority have yet to do so.

Unless legislation is enacted to provide for the protection of these children and infants, more than 300,000 Ontario children under five years of age will travel in motor vehicles this year without the protection of a child restraint device.

Those members who attended this afternoon's seminar learned how much we are capable of doing and the extent of the problem as seen by various branches of the medical profession. As has been the case elsewhere in

North America, doctors have been very active in drawing attention to this problem and have often organized local programs to educate parents.

The government of Ontario has also taken an active interest in progress that has occurred in this field. Earlier this summer the Ministry of Transportation and Communications, the Ministry of Health and the American Association for Automotive Medicine co-sponsored an international symposium on occupant restraint here in Toronto. One of the major topics discussed was the restraint of children and infants. Both ministers indicated a willingness to consider measures that will ensure child passenger restraints in Ontario.

I believe it is now time to proceed with the preparation of legislation that will protect children under five years of age and reduce the number of motor vehicle fatalities and injuries. It has often been said that children are our most valuable resource, and I believe the only way in which they can be given adequate protection is by extending the Highway Traffic Act to include children and infants under five years of age.

5 p.m.

A public information program such as the one now under way can do a great deal to convince parents, particularly at the maternity ward level, to accept and use child and infant restraint devices. But, as with all voluntary compliance programs, the use of child restraints in all likelihood will not reach sufficiently high levels.

We can all appreciate that the use of child restraint devices involves a greater degree of commitment from adults than does the use of even ordinary seatbelts. After all, child restraints cost extra money. They must be properly installed in the vehicle to be effective, and the child or infant must be strapped in for each individual trip. Unfortunately, some adults seem to feel that the effort involved is not worth it, despite the very real potential risk.

I am afraid this attitude will persist among a significantly large segment of the adult population until child restraints are made mandatory by law. Children and infants are not capable of looking after their own safety; this must be done for them. And if adults are somewhat reluctant to take on the burden of such responsibility voluntarily, I believe we are justified and acting responsibly in making this mandatory.

Some might argue that the government should not involve itself and that the parent should be left to face the consequence of any decision not

to use restraints. In fact, the government is the public, and the government bears the cost of child passenger accidents. The financial cost to society in terms of medical care is huge, especially when the unfortunate children are disabled or rendered medically dependent for life.

But the greater human argument in favour of child restraints is that passenger deaths in accidents are the largest killer of children over one year of age. Today, for every child who dies of an infectious disease in North America, 50 children die as passengers in automobile accidents. Of course, this has not always been the case. It was not too long ago that measles, polio and other diseases killed far more children than did motor vehicle accidents.

Deaths andcrippings associated with automobile accidents have always been recognized and somehow accepted by motorists and the public, especially as the speed at which cars travel has increased. The chance of such an accident was also accepted by most as a risk one had to take consistent with living in our modern society, particularly over the last 50 years.

Safer cars were built. Seatbelts were introduced. On the whole, it seemed that car travel was becoming safer. But whatever the perception, motor vehicle fatalities and injuries continued to rise.

In January 1976, Ontario was the first North American jurisdiction to enact seatbelt legislation, and the following months showed significant decreases in both injuries and traffic deaths. Since then, the trend has continued to show a decline in motor vehicle passenger fatalities and injuries.

Unfortunately, though for some valid reasons, the legislation that was enacted did not include infants and children under five years of age. This apparently was due largely to the fact that virtually no information was available about the benefits to be derived from child restraints. We did not know then which models were best.

We also had to face the fact that, while cars came equipped with seatbelts, child restraints would have to be bought separately and installed by the parents. This could have created a problem when families could not afford the cost. In addition, enough restraints were simply not available on the market, and a serious supply problem would have developed if they had been made mandatory.

Because Ontario was the first jurisdiction in North America to adopt seatbelt legislation, we

could not even be sure what effect such legislation would have on adult motorist fatalities. There were other problems to deal with as well.

Those members of the House who were present for the debate on child restraints back in 1975 may recall the controversy that raged over what were called "child carriers." Those were the devices that hooked over the car seat itself, the actual seat of the vehicle. The carrier might have had a toy steering wheel or something to amuse the child in travel. Almost 10 years ago, considerable furore arose over their use. Some of us can recall the uproar when early findings showed that in collisions these child carriers would act as launching platforms, sending children flying into windshields. Car seats were brought under the Canadian Hazardous Products Act, but even then the regulations of that act came under criticism from various groups. Therefore, with the only set of regulations under much criticism, there were no standards at that time by which to include child restraint in legislation.

Information on the effects of child restraint and on children in collisions largely did not exist in 1975. It has only been since 1976 that almost all the research on children in accidents has been accumulated. Today, that earlier controversy is virtually forgotten. There is understanding and agreement as to what constitutes an effective child restraint device and these devices have been available for some years. In fact, doctors from various centres have worked to educate the public and have encouraged the creation of various programs such as those which rent infant carriers and car seats to parents.

There are now those in the medical profession here in Ontario who have commented that the state of the art in child restraint devices has surpassed the state of our existing seatbelt construction. In this I believe they are correct and it is now time to bring our legislation up to date to correspond.

I think we can feel justly proud that Ontario set the pace for the rest of the continent and that our legislation served as a model for similar legislation elsewhere in Canada and also in the United States. I think there is also much we can learn from those jurisdictions which have adopted mandatory child restraint legislation.

In the United States, the Legislature of the state of Tennessee adopted legislation in 1977 making child restraint devices mandatory as of January 1, 1978. I am pleased to say it was a

conservative Tennessee Legislature that pioneered child restraint legislation in North America. That is the only thing we will say about it. After two years, in June 1980, mandatory child restraint legislation also came into being in Saskatchewan which was not a Conservative Legislature.

It was apparent other jurisdictions had carefully examined the Tennessee model and the progress of enforcement there before proceeding with legislation. I am confident our own legislation when tabled will reflect the experience of those other jurisdictions where mandatory child restraint has been adopted and considered.

The most important point to keep in mind is that legislating mandatory child restraint is not enough by itself. For such legislation to succeed requires the support of physicians, legislators, the news media and police forces. Not only is it necessary to motivate parents, it is also necessary to motivate the police forces who will be responsible for the enforcement of such legislation.

Once Tennessee's child passenger protection act went into effect, a high quality public information campaign began in the radio, television and print media. The law enforcement sector was not actively involved in the preparation of the campaign, nor was there any specific information directed to the police themselves. As a result, it is not surprising to find that in one and one half years following the enactment of the legislation, only 75 citations for violation of the child restraint law were written.

Because they had received so little information, police officers did not consider the restraint program important and many believed the law had more to do with social engineering than with highway and road safety. To convince them otherwise, paediatricians were called upon to appear at police training sessions and to use what was often firsthand information to convince state troopers that many lives could be saved and the number of injuries lessened.

This interaction between the medical profession and the state troopers soon achieved a definite and positive effect. The highway patrol troopers were taught how to install various types of restraint and soon each patrol car packed in its trunk a simple child restraint device. From there on the drill was rather simple.

In Tennessee, when someone was caught not using a child restraint device in a motor vehicle the highway patrol would install its restraint

device in the offender's car. The child would then immediately be buckled in to that device and a lesson would be given by the officer on how to maintain and use the device properly.

The officer would also write a violation and the patrol's restraint would remain in the offender's car until it was time for the violator to appear in court. Once in court, the child restraint device would be returned and, if the offender could show that he or she had obtained a device for their own child, the citation that had been issued at the scene would automatically be dismissed.

5:10 p.m.

A special program was also created for the donation of restraints to those people who could not afford to buy them themselves. By using the approach of the police being involved and demonstrating very visibly in a firsthand way the benefit and the proper use of child restraint, the police achieved a better image for themselves and the effect on the violator was a very positive rather than a punitive one.

In the first full year after the Tennessee Highway Patrol became actively involved in promoting and enforcing the restraint legislation, 1,402 citations were issued. This was quite a difference, as I mentioned earlier, from the 75 that were written during the initial 18 months of the program.

Other North American jurisdictions have built on the lessons of Tennessee and often the introduction of legislation has been preceded by an information campaign directed not only at the public in general but at specific groups such as public health nurses. The police have also been involved from the start in discussions not covering just the enforcement aspect of the upcoming legislation, but also the need to understand and to be able to deal with parent reactions.

It is interesting to note that in some instances the idea of mass media advertising was turned down. The main reason was the fact that much of the information is considered to be too detailed for mass public consumption. Instead, health care professionals, particularly in the public health field, were called upon to educate the public—especially expectant parents—and were dealing with them at the maternity ward level.

One important point and one that could be considered for Ontario, is in regard to who would be covered by such legislation. Here is where it tends to become a little awkward. In Ontario there are roughly 600,000 children

under the age of five years. I do not think there are enough child restraint devices yet available in our province to equip even a small portion of the now approximately unrestrained 300,000.

Though this problem existed on a much smaller scale in Saskatchewan, where only 90,000 children were under the age of five, the regulations to the legislation there required that vehicles be equipped with restraint devices for children born after June 30, 1980. This did give rise to the criticism that children born before that date and still under five years of age were just as important as any others, but this method appeared to be the only practical one to bring the program into effect at that time.

Apart from the availability aspect, the gradual phasing in approach eliminated the need for most families to purchase more than one seat, because of the natural spacing among the children, and allowed parents the opportunity to budget for the purchase of additional restraint devices as they might become required.

Also, special consideration and exemption was given to situations where a vehicle had more occupants than seat belts. Therefore, the regulation stated that the child restraint devices were required only where: "A seating position filled with a seat belt assembly is available."

This is just some of the background to the experience of the first North American jurisdiction and the first Canadian jurisdiction to adopt mandatory child restraint legislation. The Ministry of Transportation and Communications has amassed much more information in the field and will be able to examine it in much more detail as they progress towards legislation making mandatory child restraint a fact in Ontario.

I did want to point out some of the highlights of the program in Tennessee and elsewhere because I think many of these aspects are worth considering in drafting legislation for Ontario.

Sufficient experience has been accumulated to ensure that our legislation will measure up to the current state of development and availability of child restraint devices. In particular, on the question of gradual phasing in of the legislation, I believe that special consideration should be given to infants in the birth-to-24-month category. This age group accounts for a disproportionate number of child fatalities. In 1980, one half of the children who died in traffic fatalities were in the age group from one week to 24 months. Given such figures, and they have been fairly constant over the past four years, some special consideration should be contemplated in order to deal with these fatalities.

Perhaps the minister could consider in drafting the legislation the inclusion of all children born after a date given as one year prior to the date on which the act comes into being.

While not instituting mandatory restraints instantly for all children from birth to five years, the most vulnerable group, birth to two years old, would be covered. But even this would require the availability of a large number of restraint devices, and I do not know if even at this point there would be a practical alternative.

But I do know that we are now ready for legislation establishing mandatory child restraint devices. Last year there were 18 fatal motor vehicle accidents among children under five years of age in Ontario. There were 17 fatalities in that age group in each of the years 1978 and 1979. Last year in Ontario alone 1,697 children under five were injured in motor vehicle accidents. The combined total of injuries over the past three years is a staggering 5,087 in this one age group.

For those families to whom these figures are a grim reality nothing will replace the loss or reduce the pain of knowing that it might have been avoided or prevented. The reasons why legislation is required are numerous. Any legislation that can save lives in a major way is worthwhile; any legislation that can reduce the number and severity of injuries is also worthwhile, particularly if there is a resulting decrease in the health care costs associated with the treatment of these unnecessary injuries. I feel we as legislators share a special obligation to act on this matter so that we can eliminate much grief and much suffering. If our actions can save just one life I would consider them well worth the effort.

I ask all members of this House to support this resolution. I particularly thank the official opposition transportation critic (Mr. Mancini) for the support he offered in seconding it. I also hope the legislation soon to follow will enjoy this same unanimous support when it is introduced by the Minister of Transportation and Communications (Mr. Snow). That legislation is now in preparation.

The Deputy Speaker: Thank you, Mr. Robinson. In theory you have one minute remaining. Would you like to donate that time to the other speakers or reserve it for the end of the debate?

Mr. Robinson: I would be happy to share it with the other speakers on this important issue, Mr. Speaker.

Mr. Deputy Speaker: The member for Essex South (Mr. Mancini).

Applause.

Mr. Mancini: I hope, Mr. Speaker, you have taken note of the warm reception I have received.

The Deputy Speaker: And the attendance in the House.

Mr. Mancini: It is also spontaneous.

Mr. Speaker, this afternoon we as members of the assembly are going to have the privilege of supporting the member for Scarborough-Ellesmere (Mr. Robinson) in a truly important initiative.

Before I take the time of the House to discuss the merits of the resolution I would like to inform the House that this afternoon at 12:30 this member was kind enough to hold a seminar, which all members of the assembly were invited to attend. I have been quite concerned about child restraint in automobiles, but the information that we were able to receive this afternoon and the film we were able to see certainly made it more vivid. It certainly showed the brutal physical damage that can be done to an unrestrained child in such a way that I do not think anyone who was there could have left the room without being moved.

Although the member for Scarborough-Ellesmere has only been in the Legislature since March he has certainly learned how to promote his main concerns. Anyone who was there this afternoon will know this. I suggest that any other private member who wishes to introduce a private resolution or bill should speak with the member for Scarborough-Ellesmere and find out from him just what it takes and how one goes about setting up these seminars. I know the transportation critic for the New Democratic Party (Mr. Samis) was there and he also was very impressed.

We were provided with an outstanding lunch—not that this had any bearing on my support for the bill this afternoon—and also the company of many members of the Legislature.

5:20 p.m.

As the seminar proceeded, at least two photographers were taking photographs of the members. We did try to put our best foot forward, and we certainly hope after the photographs are developed that the member for Scarborough-Ellesmere can use them in his Queen's Park report satisfactorily. If we do not show up in his Queen's Park report we will understand fully the photos just did not come out properly. Not only that, but we had a moving picture camera there too. Mr. Speaker, it was

Hollywood. That is all I can say. To the member, my congratulations. He did a fine job, and we were very impressed.

Once we moved into the main room, we were able to see the film I mentioned earlier. I cannot think of any other word except "brutal" to describe the physical damage that occurs in an automobile accident—the brutal physical damage that unrestrained children receive from automobile accidents, even at 20 and 25 miles an hour. It is just a terrible thing to see.

During the film, three physicians explained to us their involvement in activity to encourage individual citizens in their parts of Ontario to use child restraints. We were told by one of the doctors that riding in the family car is the biggest threat to the life of a child. Certainly the evidence given to us by the medical practitioners, who go to the emergency wards of hospitals, who have to treat these children after they have been literally smashed up in these automobile accidents, and their endorsement of this resolution speak for the need for this kind of legislation.

I would note that 1979 was the International Year of the Child and the Minister of Transportation and Communications (Mr. Snow) let that opportunity go by without taking action himself. It is difficult to understand why an individual minister, who has held a portfolio since 1975, making him possibly the longest-serving Minister of Transportation and Communications, would let an event like the International Year of the Child go by without introducing the legislation being recommended by the member for Scarborough-Ellesmere. I cannot understand how this was allowed to happen, and I would just like to say that possibly the minister is getting tired. Several things have come up recently that show maybe he is just not as interested in transportation as he once was.

Mr. Riddell: Did you not call for his resignation?

Mr. Mancini: Yes, I called for his resignation on two occasions for a very important reason. I think he is giving that matter serious contemplation. I would not be surprised, if the minister does not have the good grace to resign, if he does not get a phone call late one evening from the Premier's secretary saying, "Mr. Snow, we have other very important business for you to attend to."

That having been said, I want to emphasize that I wholeheartedly endorse this resolution presented by the member. The facts as he explained them to the House are clear. Auto-

mobiles are the number one cause of deaths of children between the ages of one and five years old, and we have an obligation in this assembly to protect people who cannot protect themselves.

I urge all members of the House to support this resolution, and I hope once it gets past second reading the minister will take the action that he should have taken in 1979. Then we would have protection for children under the age of five years who are riding on Ontario's highways.

Mr. Samis: Mr. Speaker, I rise, as well, in support of the resolution, and I want to congratulate the member for having introduced it. Along with my colleague, the member for Essex, I congratulate him on the seminar he organized today. The Hollywood-media-billed aura to it was obviously a little extra for political consumption, but I think his initiative deserves recognition in his organization of the seminar, the quality of people he had there. I do not know about the quality of his cameraman; we will find out—and also the film he presented and his initiative in introducing the resolution.

My colleague, the member for Beaches-Woodbine (Ms. Bryden), did introduce a similar resolution back in the fall of 1980 and then reintroduced the same resolution in June 1981, so this resolution is not something new. It has been introduced in different forms twice previously.

Like the member for Essex I was struck by the statement the doctor made that the single greatest threat to a child's health is riding in a car. Various figures have been presented, both in background papers today and in this debate. That is obviously a fact of life.

I think there is very little question about the need or value of such a bill and such a policy in Ontario. We can only wonder why the government has waited so long to really move on the issue, especially when the evidence in favour of such legislation is so strong and so compelling. Any time 1,600 people are injured in one year for any reason it is cause for deep concern. When one remembers that we are talking about children and talking about 18 actual deaths in this province, then the issue becomes a crucial one for government to resolve once and for all.

Among the various groups supporting this type of legislation one notices the Ontario Coroners' Association, the Consumers' Association of Canada, the Ontario Motor League, the Ontario Medical Association and the Ontario Safety Council. All of these are directly involved

with the problem in the first place, have accumulated a vast store of knowledge and obviously carry a lot of weight in the whole argument.

Some of the facts have already been outlined by the presenter of the resolution dealing with the background for the legislation. He noted that more children over the age of one die in car crashes than from any other cause and that the vast majority of child passenger deaths can be prevented by child restraints in automobiles—somewhere between 75 and 90 per cent. He also noted that a 30-mile-an-hour crash into a barricade is equivalent to dropping a child from a three-storey building.

He has referred to Tennessee, which is probably the best example in the United States. Since 1978, they have had 60 unrestrained children die in automobile accidents and only one who was restrained. That child died in a nonsurvivable accident—I believe it was a collision between a subcompact car and two semi-trailers. He referred to the fact that the only citizens in Ontario not protected by seatbelt legislation are the 600,000 children under the age of five. All those facts obviously militate for such legislation here in Ontario.

As to the use of seatbelts today, it is interesting to note the various figures that were bandied about at the seminar. It seems that between 15 and 20 per cent of children under the age of five are actually using any type of seatbelt or restraint today, which means 80 to 85 per cent are not protected by these devices. In fact, the study done by McMaster University suggests that no more than 14 per cent of children are being properly restrained in automobiles today. A study done in Saskatchewan indicates that only 12 per cent of children under five were being properly protected prior to the introduction of their legislation.

5:30 p.m.

A study was done in Massachusetts of 2,474 children. It was rather interesting to note that the older the children got, the less their parents resorted to any form of device for protection. As infants they would be protected, but as soon as they got to two, three and four the rates dropped drastically to the 15 to 20 per cent range. This is a problem faced in every province in Canada.

In terms of adults our record in Ontario is nothing to brag about. Sure we have legislation, but various groups now suggest that more than half our drivers are not using seatbelts in this province. That is a problem.

According to the Traffic Injury Research Foundation of Canada, they estimate that in cities only 47 per cent of drivers of small cars are actually buckling up; for large cars they estimate the figure is 30 per cent of drivers. Dr. Don Huelke at the University of Michigan said that drivers who refused to secure children safely in cars should be charged with child abuse—strong stuff, but there is a lot of truth to it.

So there is obviously an overwhelming body of medical evidence, safety and health evidence to prove the value of a seatbelt and restraint for children, and it is time we got on and legislated an end to the problem.

Earlier today, Mr. Speaker, I had an opportunity to talk to Carl Shiels in Saskatchewan, who is the director of their Highway Traffic Safety Council. This is the only province that has adopted this type of legislation. He made some rather interesting points. First of all he pointed out that they received virtually no opposition to the introduction of this legislation in comparison to the seatbelt legislation, where they received considerable opposition.

Second, he pointed out that the cost of a Durell convertible infant carrier in Saskatchewan is in the range of \$45 to \$55, which is less than the cost of a new tire, or equal to two or three tankfuls of gas. What parent would say that was not a worthwhile investment?

It was rather interesting. He pointed out that the Kinettes and other service clubs have become very actively involved in renting various types of child-restraint devices at \$5 per carrier, and that the Saskatchewan Government Insurance Office has subsidized half the cost of them. Four service clubs were involved in it. They now have more than 1,000 safety seats available throughout the province and the figure is growing.

I was interested in what a doctor said today in Kingston. Her name is Dr. Janice McConville. She said the Jayceettes in Kingston are doing the same thing. I think they deserve to be commended for their program.

In Saskatchewan, apparently, the crippled children's association has become very active in the rental and repair business and is obviously assisting them in their activities. Another interesting feature in the Saskatchewan legislation is that it was passed in May 1980 but only applied to children born after June 1980. In other words, they phased in their legislation, as has already been referred to, and that obviously eased the burden for many parents in the province.

He pointed out the effects of the legislation

already said, I was absolutely shocked at what we saw in that film presentation. The accidents shown in that film were at 24, 25 and 30 miles per hour, and the devastation wrought on the people inside an automobile at those speeds was quite staggering. I must confess I have been very fortunate in not having been at the scene of a serious automobile accident in my life and I hope I never am, but to see those films and to imagine what would happen at a more conventional highway speed of 50, 55 or 70 miles per hour was absolutely frightening.

The member for Scarborough-Ellesmere has already spoken of the statistics attached to these incidents of children in accidents in Ontario. The fact I draw from the statistics is that fatalities are on the increase. In 1977, there were 13 deaths of children under the age of five in this province; in 1978, there were 17; in 1979, there were 17; and in 1980 there were 18. At the same time, since the seatbelt legislation came into force for the rest of the population in this province in 1976, fatalities have been on the decrease.

This is the impression that is left with me and it is why I think my friend's argument is so compelling; the impression that these accidents, these fatalities among infants are increasing while for the rest of the population they are decreasing. I would suggest that is a situation which we as legislators certainly cannot tolerate.

5:40 p.m.

I am familiar, as I am sure every member of the Legislature is, with the arguments about the use of seatbelts. I hear them in my own constituency. There are people who have a philosophical bent against the use of seatbelts. It is not one that I share. I see my friend the member for Windsor-Sandwich in the chamber.

Mr. Wildman: Riverside. You know, "Down by the..."

Mr. Gillies: Down by the riverside, yes. I do not know if the member for Windsor-Riverside (Mr. Cooke) saw, as I did, a program the CBC ran about four or six weeks ago on highway safety and driving habits in the province, but I recall they did a random survey of communities in our province as to the use of seatbelts.

The number one community for nonparticipation in seatbelt wearing was the city of Windsor but a very close second was my constituency, the city of Brantford. I believe about 80 per cent of the people surveyed in Brantford at that time were not wearing their

seatbelts. I am not proud of that. As members, I think we could be doing more to try to educate our constituents, the people for whom we have a responsibility, in the wearing of seatbelts.

There are isolated incidents. The physicians we listened to at noon spoke of the isolated incidents in which seatbelts would not avoid a fatality. I do not doubt for a moment there are occasionally accidents where a seatbelt may contribute to a fatality, but we have to look at the overall picture and the raw numbers. I think the facts speak for themselves that the use of seatbelts has led to a reduction in traffic fatalities and traffic accident injuries.

Why children in particular? Other members speaking to this resolution touched on it but we do know the bone structure of an infant is much more fragile than that of an adult. We know the body proportions of an infant are such that the upper body has the bulk of the weight and, therefore, in an accident a young child is sent forward head first like a projectile. As people get older they develop more weight in the lower regions of their bodies.

Mr. Robinson: Thank you very much.

Mr. Gillies: The member for Scarborough-Ellesmere and the member for Kitchener may remind me in a few years, I am sure.

Mr. Breithaupt: I will be glad to.

Mr. Gillies: Correctly used, we are told these child restraint devices can prevent up to 90 per cent of the deaths and 70 per cent of the injuries resulting from traffic accidents involving children. The philosophical argument, as I have said, is not one that I think we need debate at any length in this Legislature.

I have already noted I am pleased indeed that the transportation critics for the two opposition parties are in agreement with this. We have also seen that the representatives of the Canadian Medical Association, the Ontario Medical Association and the Ontario Coroners' Association are in full agreement with this resolution and this initiative by the member for Scarborough-Ellesmere.

I am pleased indeed that our Minister of Transportation and Communications (Mr. Snow) is in the chamber and I hope he will listen to the arguments put forward by all the spokesmen this afternoon and respond very quickly with legislation to see this resolution is entrenched in the law.

Mr. Riddell: Mr. Speaker, my interest in this resolution goes back to 1973 when I introduced a private member's bill in the Legislature

amending the Highway Traffic Act to improve the safety of children travelling in school buses. Oddly enough, the use of seatbelts in school buses was not made mandatory because at that time the arguments against seemed to outweigh the arguments for; one argument being that one adult in the bus could not possibly see that 40 young children kept themselves buckled up, the other being that the particular structure of the child would tend to have that child slip either over or under the seatbelt in case of an accident. They were a little worried the belt might catch the child across the neck in that kind of situation and more damage could be done than if the child was not buckled up in the first place.

I am pleased the Minister of Transportation and Communications saw fit to incorporate many of my recommendations in legislation. He did not do it all at one time. He phased it in over a period of years, but I think most of the recommendations I made have now been incorporated into the Highway Traffic Act.

I want to congratulate the member for Scarborough-Ellesmere for his initiative in trying to provide protection for those who cannot protect themselves. Obviously he was sincere and most anxious to have it included in legislation. Otherwise he would never have held a seminar so that those who were interested could have an opportunity to hear the views of three doctors and to see an outstanding film showing the tremendous injuries that can occur to young people if they are in a motor vehicle accident without some kind of restraint device.

It is unfortunate we have to pass legislation in order to give people the kind of protection they should have. It is unfortunate we cannot do it through an educational process. I am one of those people who think we tend to legislate too much, but I also know that if we leave it strictly to education we will not accomplish the things we hope to accomplish in matters such as this.

I was interested in the doctor's comment at the seminar that there are more child injuries and fatalities due to motor vehicle accidents than there are from such diseases as polio and measles. This may indicate the tremendous job done eliminating such diseases through programs such as vaccination. Still and all, there are far too many young people between the ages of one and five who are killed, injured or permanently maimed in car accidents by virtue of their not being properly restrained.

Unfortunately, parents simply do not realize the danger they place their children in when they allow them to travel in a motor vehicle

without a proper child restraint device. A parent's natural instinct is to hold a young child in his or her arms or on his or her lap when travelling in a vehicle. Parents fail to realize that in the event of impact the child will be virtually crushed between the parent and the dashboard if the parent is not buckled up. Even if the parent is buckled up, a 20-pound child would exert a force of 600 pounds in a 30-miles-per-hour crash, which is more than any parent could hope to cope with.

The argument against this kind of legislation would be the pat argument that we are taking away civil rights. But surely we have to consider the rights of the child, who has no reasoning power to exert his or her own rights. So it looks like we have to do it by way of legislation.

The last point I want to make is that common law includes duty of care. Surely we owe a duty of care not only to each other but especially to our children. We have all probably gone through the old exercise of making sure that all safety precautions have been taken when someone visits our premises.

Mr. Speaker: I would draw the member's attention to the clock.

Mr. Riddell: We are subject to liability if someone injures himself on our property. I am surprised that some parents have not been taken to court on this very business of duty of care in connection with children.

Mr. Speaker: Order.

5:50 p.m.

Mr. Riddell: I am sorry my time is up. I thought I was making a very good point.

Mr. Speaker: You did indeed.

MUNICIPAL SUNSHINE ACT

The House divided on Ms. Bryden's motion for second reading of Bill 132, which was agreed to on the following vote:

Ayes

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Charlton, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Kerrio, Laughren, Lupusella, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, Philip, Reed, J. A., Reid, T. P., Riddell, Ruprecht, Ruston, Samis, Stokes, Swart, Van Horne, Wildman, Wrye.

Nays

Andrewes, Ashe, Barlow, Brandt, Cousens, Cureatz, Fish, Gillies, Gordon, Gregory, Harris,

Henderson, Hennessy, Hodgson, Johnson, J. M., Kolyn, Leluk, MacQuarrie, McCaffrey, McLean, McNeil, Mitchell, Norton;

Piché, Pollock, Ramsay, Robinson, Rotenberg, Sheppard, Shymko, Snow, Stephenson, B. M., Taylor, J. A., Treleaven, Walker, Wells, Williams.

Ayes 38; nays 37.

6 p.m.

Mr. Speaker: Shall the bill be ordered for third reading? Order. There has been a change. Under new standing order 64(m): "Notwithstanding standing order 56(c) private members' public bills given second reading shall stand referred to the committee of the whole House unless referred to a standing committee or select committee by a majority of the House." So this will automatically go to committee of the whole House. Agreed?

Ordered for committee of the whole House.

Mr. Speaker: We will deal next with resolution 14, standing in the name of Mr. Robinson. If any members are opposed to a vote on this resolution they will please now stand.

Mr. Ruprecht: On a point of order, Mr. Speaker, I had risen on a point just before you called for the vote.

Hon. Mr. Gregory: There is no point of order or privilege during a vote. Once a vote has been called, we should proceed with the vote.

Mr. Foulds: Bud is right for once.

Mr. Speaker: The member did indicate that he had stood before I had called it. Whether he had or not I cannot say.

Mr. Ruprecht: Mr. Speaker, I was just amazed that this bill was passed in opposition to the government. I just wonder, and I would like to ask you, whether this is a vote of no confidence.

Mr. Speaker: That is not a point of order. I ask the member to resume his seat.

SEATBELTS

Mr. Speaker: Mr. Robinson has moved resolution 14.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Resolution concurred in.

SELECT COMMITTEE ON PENSIONS

Mr. Speaker: I would ask the indulgence of all the members. Due to the question of form which was raised by the member for Bellwoods (Mr.

McClellan) and concurred in by other members of the select committee on pensions, and due to the procedure followed, I would ask the chairman of the select committee if he would agree to withdraw this report so that members may have the opportunity of reading and signing it.

Mr. J. A. Taylor: Mr. Speaker, I want to thank you for this opportunity. The problem of procedure I personally have and which was subsequently shared by my colleagues in the House this afternoon, should be clarified. It certainly has been traditional and a convention in my experience for each and every member of a committee to sign a report of a select committee.

I know there has been variation from that procedure, but I seize on this opportunity to reinstate what I consider a traditional form. Being a traditional Conservative, I am delighted that my colleagues in the House raised the point. I am delighted to withdraw the report to enable each and every member to sign that report individually.

Mr. Speaker: Thank you very much. I would like to take this opportunity to point out again to all the members that there was nothing wrong with the form followed inasmuch as it is not mandatory for all members of a select committee to sign the report. However, because of the concerns expressed and raised, we have followed this procedure.

Mr. Martel: May I ask the Speaker, as I asked him earlier today, if he would consider sending it to the standing committee on procedural affairs so we can encompass it in some formalized manner?

Mr. Speaker: Yes. I have asked that this be looked at.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before we adjourn for supper, I would like to indicate to the House the business for the next week. This evening we are considering the standing committee on public accounts' final report of December 1980. Tomorrow morning we will deal with legislation, with second readings of Bills 79, 80 and 71.

On Monday, October 19, we will continue with any of the second readings of Bills 79, 80 and 71 not completed and will also deal with the committee of the whole, if necessary, on any of those bills if there is time.

On Tuesday afternoon, October 20, we will continue with any remaining second readings or

committee of the whole on Bills 79, 80 and 71, followed by Bills 2, 47, 22 and 6. On Tuesday evening we will continue with any of that legislation not completed in the afternoon and then move to committee of the whole, consideration of Bill 68.

On Wednesday, October 21, I would like to indicate that three committees, the standing committees on general government, resources development and administration of justice, will be meeting in the morning.

On Thursday afternoon, October 22, we will deal with the private members' business standing in the names of the member for Haldimand-

Norfolk (Mr. G. I. Miller) and the member for Oakwood (Mr. Grande). In the evening we will debate the motion for adoption of the third report of the standing committee on procedural affairs concerning agencies, boards and commissions, and if time permits we will also debate a motion for adoption of the 1981 first report of the standing committee on regulations and other statutory instruments.

On Friday, October 23, we will begin consideration in the House of the estimates of Management Board of Cabinet.

The House recessed at 6:10 p.m.

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Ontario.

LEGISLATIVE ASSEMBLY

No. 71

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, October 15, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 15, 1981

The House resumed at 8 p.m.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Consideration of the final report, December 1980, of the standing committee on public accounts.

Mr. T. P. Reid: Mr. Speaker, it is always a pleasure to speak to such a crowded House. Obviously, the government is having problems counting again. They cannot seem to get enough members in to get a quorum.

Hon. Mr. Ashe: What are you talking about? You have a grand total of three people there.

Mr. T. P. Reid: Three of us can take on all of you.

Mr. Speaker, we are here to discuss, at a somewhat later date than I had hoped, the December 1980 report of the Ontario standing committee on public accounts. I take a certain amount of pride in this report, because I have been told by those who follow these matters that this is probably one of the best reports on public accounts that has been produced anywhere in Canada. I do not say that personally, of course. I am just passing on what others have said.

Hon. Mr. Ashe: You must have had a good staff.

Mr. T. P. Reid: That is true, as a matter of fact.

I would like to spend a few minutes just describing the public accounts committee for the record, and perhaps for members who may not be as aware of the committee as they should be.

The public accounts committee is the end of the cycle of financial accountability and spending of the government. That financial cycle begins with the preparation of the budget, the presentation of the budget in the Legislature by the Treasurer of the province and the subsequent tabling of the estimates of the various ministries.

During the fiscal year, from April 1 to the following April, the various ministries of the government spend the funds allocated to them and approved by the Legislature. What happens, in effect, is that the Provincial Auditor

and his staff audit the performance and the books of the various ministries. The auditor then makes a report to the Legislature which is usually tabled in late December, and in the new year the public accounts committee begins its deliberations of the matters raised in the auditor's report and any other items it feels should be brought forward in regard to the financial administration of the province.

The public accounts committee then, going full cycle, makes a report to the Legislature on what it considers to be the major problems in the financial administration of the province, and the government deals with it as it wills. Of course, one of the final acts in this cycle of financial administration and accountability is the debate on the report in this chamber.

It should be pointed out from the outset that the public accounts committee in itself has no power to effect changes that will provide better administration or better financial accountability within the civil service. It is the prerogative of the government to act or not to act. This used to be a very important consideration. The taxpayers were concerned about what happened to their tax dollars and whether they were being prudently spent. Unfortunately, this whole process of financial accountability has got lost and has been somewhat downplayed in the last number of years.

For us as legislators still to have control over the public purse and to bring the executive of the government to account for their actions is very difficult. One of the problems is the estimates procedures that we have, and I will not recount that. But obviously one of the largest problems we have is that we do not have the information necessary to make the right choices, ask the right questions and ensure that the taxpayers' money is being effectively, efficiently and economically spent.

The attendance here this evening is probably symptomatic of the fact that this once very important function of all legislatures has lost that importance and that very few people are concerned with the process any more.

It is interesting that when I first became chairman of the public accounts committee in 1974 I went to the literature in the library, the

learned journals and the academics to see what the public accounts committee did. I can tell the House that there was very little, if anything, in the literature other than a series of reports that did not outline the procedures, did not outline what the mandate of the committee was and certainly did not provide any guidelines as to how the committee was supposed to carry out its responsibilities. In fact, hardly anywhere were those responsibilities written down.

Mr. Breithaupt: If it had not been for the previous chairman, the member would not have known what to do.

Mr. T. P. Reid: The previous chairman, the only other one now extant in the House, somewhat like a dinosaur, tells me that if it had not been for him we would not have known what to do at all. I use that as an excuse for the rather poor job we did in the first number of years until I decided to disregard the advice of the former chairman.

However, it is interesting that, at least in academic circles and some others, there has been greater concern recently about how the day-to-day finances and financial administration of governments operate and whether the executives at the provincial, federal and even municipal levels are conducting the financial affairs of the people on whose tax dollars they live in a prudent and economical way.

The present chairman of the committee was moved to write an article in the *Parliamentarian* in October 1980 in an effort to describe and put down in black and white how our committee in Ontario operated.

Partly as a result of this greater concern, the Canadian Comprehensive Auditing Foundation, which is a made-in-Canada operation that is spreading worldwide with new concepts, particularly in government accounting, or value-for-money accounting as it is often called, commissioned a study dealing with public accounts committees and legislative auditors.

The title of the report is *Improving Accountability: Canadian Public Accounts Committees and Legislative Auditors*. It was just released in September. It delineates fairly well, I think, the whole process involving public accounts and legislative auditors. I was fortunate enough to be a member of the advisory committee to this report. I believe this report will serve as a model for all public accounts committees across Canada.

8:10 p.m.

I might also tell the House that the legislative auditors across Canada have been meeting for almost 12 years now. Three years ago, on my initiative, chairmen of public accounts committees from across Canada began meeting at the same time as the legislative auditors to exchange information, to educate themselves, to exchange ideas and to try to bring about a closer working relationship between legislative auditors and public accounts committees.

At the recent meeting in St. Andrews-by-the-Sea in July, I, as Ontario chairman, was elected as president of this august organization, and we will be meeting again in British Columbia next summer.

Mr. Breithaupt: He couldn't get to Australia.

Mr. Stokes: You want to go to Paris.

Mr. T. P. Reid: I would prefer that.

Mr. Breithaupt: Or even to Brantford.

Mr. T. P. Reid: Mr. Speaker, we are dealing with one of the most fundamental and basic traditions at the very root of the parliamentary system; that is, accountability to the Legislature and to the people for the financial administration by the executive.

Unfortunately—and I say this with respect—none of us is doing quite the job we should. That is partly because, to some extent, the public has become so cynical about the fact that government expenditures are out of control that nobody seems to care.

The present Ontario government, for instance, which is running a deficit of more than \$1 billion, sees fit to set its priorities on such things as a \$10-million jet aircraft and buying a \$650-million interest in an oil company which will not add one job to the province. There is a lot of cynicism out there, and I think we have to convince people that what we are trying to do here is important and that we are trying to get things under control.

In 1976, the then federal auditor, Mr. Macdonell, in his report to the federal Parliament—and one has to appreciate that, like lawyers, accountants are very careful in what they say—said that Parliament was close to losing control over parliamentary expenditure. I think he was being very conservative, if I may use that opprobrious term, in putting it that mildly. By the way, if anybody wants a copy of the report, I have some extra ones here. The autographed ones will be extra. The big print is in that one there.

The point is that we are trying to bring accountability to the system. We have laboured

in the mythology of the political science theory that we operate in this province and elsewhere, under something called ministerial responsibility, that the ministers sitting opposite are responsible for each and every action taken within their ministries. I say to you, Mr. Speaker, that this is outmoded.

It is impossible for a cabinet minister dealing with a multimillion-dollar budget, and sometimes a \$1-billion budget, perhaps with thousands of civil servants, to be aware of each and every action taken by those same civil servants. The Lambert commission makes reference to this and says cabinet ministers spend more time dealing with policy matters than with financial administration. I would like to quote from the report of the Lambert commission:

"Accountability is the working principle of our parliamentary system in a process whose effective functioning is essential to our democratic government. The committee shares the view of the commission"—this is the Ontario committee—"that, while the doctrine of the collective responsibility of cabinet and ministerial responsibility of individual ministers to the House for all actions of government done in their name is the underpinning of our parliamentary system, this valuable tool for achieving accountable government must not become an obstacle to holding to account those who carry out tasks on the basis of delegated authority, the officials of departments and agencies."

That is from the Lambert report, page 371.

I entirely agree with what Lambert goes on to say:

"The civil servants, today more than ever before in the history of our parliamentary tradition, are the people who are responsible and who are dealing with the day-to-day financial administration of government."

It is obvious from the questions we ask the cabinet ministers that they do not know what is going on, let alone what is going on in the day-to-day operations of their ministries, nor do we expect them to in certain specifics.

The point of all of this is that there are two levels of responsibility. There is the executive and ministerial responsibility ultimately, obviously; but there is also responsibility on another level, and that is at the civil service level. Those are the people who are doing the day-to-day administration and who are responsible for the allocation of the personnel and resources that are voted to their ministries by this Legislature.

I commend you, Mr. Speaker, and others to read pages 10, 11, 12 and 13 of the 1980 report in

which the then public accounts committee of Ontario dealt with accountability and responsibility, because it is very important that civil servants be held responsible for their actions. While not necessarily new with this committee, it is a different set of principles than, for instance, the academics and even some parliamentarians have been operating under for some time.

If members look at the report they will find that civil servants often are not accountable to the public accounts committee and through us to the Legislature. Members will find they have been getting away with the grossest of errors and that the cabinet and executive are allowing that to continue. We have detailed in our findings in the report—and I will not go into it at great length—that the administration of the civil service is poor in this province. The managerial ability on which this government prides itself is almost nonexistent in many cases. I will give members a few examples.

Within the civil service we have something called merit pay. That is something I think most members of this House have never heard of: Merit pay; what is that? That is a little fillip, sort of a fringe benefit that people in middle management and higher get for doing a good job. That was supposed to be the basis of it. What has happened, in effect, is that everybody in middle management and up has been receiving merit pay based simply on whether they show up for work. If they show up, they get it. It is not for good or better or best performance; it is simply for being there.

The strange thing to me, and I think to the committee members at the time, is that there were really no rules or regulations or performance appraisals being done at that time as to how people got the merit raise. They got it simply by showing up. If they didn't get it, they could grieve it. It was astounding to the committee that this merit pay was in place, that it ranged up to six per cent of their salaries and that there were no performance appraisals with understood guidelines being done. There was no rating of people; they simply got—

Mr. Stokes: It makes you wonder where the committee was all those years.

Mr. T. P. Reid: That is right. These things are going on and nobody knows about them. The government did not seem to be particularly concerned. Therefore, what is the incentive for anybody to perform other than adequately or moderately or just to show up?

Of all the things we turned up, it was this one

that I think really concerned members of the committee the most. Even Townsend and the land banking the government did—to the tune of \$662 million, almost enough to buy Suncor—paled in comparison to the way the executive was managing its resources and requiring from our civil servants accountability and responsibility for their functions. I sometimes fail to understand how people think.

8:20 p.m.

Mr. Speaker, I draw your attention to pages 18 through to about 25 of the public accounts committee's report. It deals with the government's land assembly. I am going to tell you a story, sir, that even you in your wildest imagination would not believe.

The province of Ontario, under the leadership—if I may use that word—of the Premier (Mr. Davis), embarked on a land-buying scheme to the tune of more than \$600 million. They bought property in Edwardsburgh—the member for Durham West (Mr. Ashe) knows about that, does he not? They bought Townsend and South Cayuga, and they paid two to three times the appraised value for that land.

Hon. Mr. Ashe: You forgot Pickering.

Mr. T. P. Reid: Pickering is peanuts compared to this operation. More than \$600 million of taxpayers' money went into these projects.

In Edwardsburgh, a report of the government said, "We will never be able to sell this land." The government paid too much for it to begin with, and all the great things that were going to happen never materialized.

One wonders on what basis it did these things. Why did it buy both South Cayuga and Townsend, which are right next door to each other, when they were going to build one city?

I am going to tell honourable members what the then Treasurer of Ontario did. He was driving home one day in his limousine—or was being driven home in a government limousine—and, sitting in the back of his limousine, he had a vision. He decided he liked living in London, which had about 200,000 people, and he thought people would not want to live in a bigger city than that. So, instead of building one city of 400,000, he would buy two town sites right beside each other and would have two cities of 200,000.

There was no basis for this; there were no reports. I might add, there were only 600 people in the Ministry of Treasury and Economics and in other land planning in the government at that time. There was not one report—there was no

evidence—to indicate the government should do this. Yet the Treasurer, on his own hook, could spend \$250 million. And his response to the committee was: "I had all this money in the Treasury. I did not know what to do with it. So I said, 'Ah hell, I will go out and buy some land.'" That is the management expertise of this government.

Lest you wonder if it was just the Treasurer who was in on this little boondoggle, Mr. Speaker, let me quote from Hansard.

My colleague Mr. Hall, who is no longer with us, put the matter to the then Treasurer, Mr. White, who said this: "I simply decided as the minister responsible that it would be better to have two medium-sized cities"—even though they were right next door to each other—"than one large city, and I persuaded my colleagues that I was right.

"I had policy and priorities board's approval before we did any optioning, and I had cabinet approval before we did any purchasing.

"Mr. Hall: I assume that the Premier agreed with you because the policy and priorities committee accepted what you had to say.

"Mr. White: The whole cabinet—speaking in that collegial sense, the government, the cabinet decided to buy the property.

"Mr. Chairman:"—That was me, by the way—"What was the activity of the Premier in all of this? Was he kept informed of this grand scheme and the cost of it, and did he give his imprimatur to this program?

"Mr. White: Well, there are not very many things that go through cabinet that the top man disagrees with."

Those are the great managers of Ontario; and I ask, where is the accountability and responsibility in respect of that \$662 million?

We made more than 25 recommendations on various matters in this report. We talked about the government's habit of people—civil servants—quitting: working for a ministry one day and being hired as consultants the next at higher salaries and all that goes with it.

We talked about consultants who would low-ball on a tender and then come back to the government, saying, "We underbid and we need more money to complete this project," and get it. The horror stories go on and on.

We also discussed public opinion polls, strangely enough, in the committee. It was the feeling of the all-party committee—which included some great Conservatives of the day who, unfortunately, are no longer with us—that the government, because it was taking these public opin-

ions polls with taxpayers' money, should make them available to the Legislature and to the public as a whole.

It is interesting that, under the threat of a Speaker's warrant, the Premier finally coughed up those public opinion polls but has been loath to follow the recommendation of the committee that they be tabled in the Legislature when they are received by the government.

There is another matter that really concerned the committee, and we are not done with it yet. That is the matter of the health service organizations and the St. Marys Clinic in St. Marys. It is interesting how this all came about, because the Provincial Auditor raised this matter in his report, partly at the instigation of letters he received from people in St. Marys.

It had to do with the St. Marys Clinic and our examination of the health service organization program. For the members' edification, the health service organization at St. Marys was being paid on a capitation basis rather than on a fee-for-service basis. That means, simply, they had a roster of something like 10,000 to 11,000 people for whom they received an amount of money every month. Whether or not all 11,000 came in to see the doctor, they got paid. This was supposed to be saving the taxpayers' money.

We found out quickly that the doctors in the St. Marys Clinic were enjoying an income substantially higher than that of the provincial average and that the Ministry of Health had never proven the roster. It did not know whether the people on the roster were alive or dead, or whether they had moved to Sault Ste. Marie, Sudbury or Atikokan.

Mr. Kerrio: Or to Calgary.

Mr. T. P. Reid: They did not know whether they were in Quebec going to another doctor or whether, as my colleague says, they had all moved to Calgary under the management of William Davis and company.

The auditor did another report for us and found that it had probably cost the taxpayers an extra \$1.5 million because the Ministry of Health people did not do their job, did not follow up with their procedures and did not ensure that the people's money was being well spent.

For a person in your position, Mr. Speaker, \$1.5 million is small peanuts, and it would not take you long to come up with that money; but when you consider that the average taxpayer pays about \$1,500 in provincial income taxes, that is a lot of taxpayers to make up \$1.5 million.

8:30 p.m.

Worse than the money that was lost was the attitude of the deputy minister and the civil servants who appeared before the committee. I had never been more ashamed in my life than to see the performance those people put on. What annoys me to this day is that, as far as I know, those people have never been disciplined by the Ministry of Health or by this government.

It might be a little strong to say that they misled the committee. I was going to use another word and I changed it. But they misled the committee; they stonewalled the committee and they stonewalled the auditor. They would not provide the information; they went around in circles and they completely and utterly treated the committee with contempt. One can only ask oneself who is supposed to be running the store, Mr. Berry and his colleague? It was unbelievable the way they carried on.

As a matter of fact, in this report is one of the strongest statements I have ever seen printed about a civil servant anywhere. And I remind you, Mr. Speaker, that this was an all-party committee; there were Conservatives there, and they signed the report. In case members do not know, the Conservative members at that time were the member for York West (Mr. Leluk), who is now a cabinet minister; Mr. MacBeth, the then member for Humber and a gentleman well thought of by one and all; the member for Sault Ste. Marie (Mr. Ramsay), who is now a cabinet minister; the member for Simcoe Centre (Mr. G. W. Taylor); and the Speaker himself. In fact, the Speaker was then the parliamentary assistant. They put their names to this report, which says at page 30:

"The committee is also disappointed by the apparent lack of concern with the question of value for money displayed in our hearings by the officials most directly charged with responsibility for the program, Dr. Boyd Suttie and Mr. Ray Berry. In particular, the committee is disappointed with the quality of responses to requests for information and with the lateness of these responses, which served to hinder the committee and its work.

"The committee is also displeased by the lack of co-operation by the ministry with the Provincial Auditor in his comparison, at the direction of the committee, of the roster of St. Marys Clinic and the patient lists of nearby fee-for-service practices."

It is incredible to me that civil servants could come and act before a committee of the Legislature as these two gentlemen did. What is even more incredible to me is the fact that the

Minister of Health (Mr. Timbrell) stood in his place and defended the actions and attitude of those people.

It makes one wonder about responsibility and accountability and what really is going on in that government. Even civil servants could not come up with some of the crazy actions that the government has lately. One wonders who is running the show.

To my knowledge, statements like this about the actions of civil servants have never been printed anywhere before. The committee did it only reluctantly, but they felt that strongly about it. Yet those people came before us again this year after this committee had met and said this last year, and they proceeded to give us the same kind of runaround as they did last year. One wonders about accountability and responsibility in those circumstances.

I promise not to speak too long, but I want to draw to the attention of the members the last two or three recommendations of the committee, because they are important.

"The committee recommends that each ministry, agency, board and commission of government establish an audit committee." We suggested this because in our review of some agencies, boards and commissions we found that the board of directors, who are often appointed by the government and usually friends of the government and who usually sit for one or two days a week every few months, are not sufficiently doing the job of ensuring the financial accountability of those enterprises.

"The committee recommends that the government require comprehensive auditing of all its agencies, boards and commissions"—to ensure once again that we are getting value for money.

"The committee recommends that comprehensive auditing become a requirement for all bodies receiving public funds."

If we do not bring some new rules of procedure, some new guidelines, to the financial administration of this province and its various emanations, such as agencies, boards and commissions, school boards, hospitals—all those agencies that receive transfer payments, which in Ontario amount to between 70 per cent and 80 per cent of the provincial budget—then we have no accountability for the finances of the province at all.

I think the public accounts committee of 1980 had reached a plateau of operating, of preparing themselves for the committee, reading the material provided, having initiative in their requests for items for the committee to look at

and bringing a relatively non-partisan approach to the committee. I would quote from the report I have already referred to, *Improving Accountability*, on page 103:

"The main factors contributing to the public accounts committee's success has long been accepted as: 1) its clearly defined role in the circle of control—nearly all of the PAC's inquiries are audit-based; 2) the expert assistance of the controller and auditor general and his staff; and 3) the committee's non-political approach to its task."

I think we were able to come up with what I consider an excellent report because we did approach our job and the committee in a relatively non-partisan way. There was a final understanding that we were all there to ensure better accountability, better responsibility and better financial administration. That was our goal as a relatively non-partisan committee. I think if there is any partisanship it can come out in the Legislature. It can come out here in the debate on the report. It can come through question period in the estimates. I would hope that my government friends on committee also would try to adopt the relatively non-partisan approach so that we can ensure the taxpayers are getting value for their money spent.

I understand the parliamentary assistant to the Chairman of Management Board is going to be speaking on behalf of the government. I hope he would address himself to the 25 recommendations of the public accounts committee and tell us what action—if any—has been taken. If no action has been taken, would he tell us why not. We have had some responses to parts of the report but I would also like him to deal, if I may ask him, with the philosophical basis as laid out by the committee in the preface to the report—about accountability and responsibility and what commitment the government has to ensure better financial control within the ministries run day-to-day by the civil service.

I would like to end in this vein. Norm Scott, who has been the provincial auditor for some seven or eight years, has, I understand, written the Premier with his resignation. I believe his term of office will end January 1 of next year.

Mr. Scott is not in the House tonight. He was not aware we would be debating the report this evening. I would like to put on the record my thanks, gratitude and personal appreciation of what I consider to be an excellent job that he has done in his function as provincial auditor. I think it is largely due to his efforts that the committee has improved as much as it has. I

believe he is a civil servant in the classic mode in that he was a servant of the public, he did his job exceptionally well and in the parlance of comprehensive auditing, the taxpayers of the province got full value for their money.

The Deputy Speaker: Thank you, Mr. Reid. Might I just say when you make reference to the Speaker it is difficult for whoever is in the chair to respond since we are supposed to remain unbiased. You leave us in an embarrassing position.

8:40 p.m.

Mr. Philip: Mr. Speaker, I would like to start off my comments tonight in the manner in which our chairman, the member for Rainy River, ended his. As a new member of the committee, I am very much impressed by Norm Scott. He is approachable; he always had time for me and for other new members who had just joined this committee to answer questions and to do a considerable amount of professional development for us. I am impressed by his fairness, but most of all by his patience. The committee will suffer a grave loss not having the services of someone as dedicated, as accessible and as open as I found Mr. Scott to be over the last three months in which I have had some occasion to know him and to seek his advice.

As a new member of the public accounts committee, I take a certain pleasure in voicing my approval and satisfaction with the work that has been done by my predecessors on the committee. Some of my colleagues are still sitting on the committee; others from my party have gone to other endeavours—at least for a little while—and it is their hard work and the hours put in by Mr. Scott, and by other people who were of assistance to the committee and by the clerk of that committee, who made possible this excellent report that is before us. In a sense they have pioneered an awful lot of the work that I have been privileged to learn about and to become a supporter of during the last three months.

Government expenditures have risen in the past years at a rate not previously experienced in the past in western countries except in times of war. There is in the democratic societies of the world at the present time a great interest in improving public accountability. I would point to some comments made in an article titled *Proposals for Expanded Scrutiny of Public Spending in the United Kingdom*, which appeared in the *Parliamentarian* that I found quite similar to some of the things we are doing. It points out

that the system of national public audit in the United Kingdom is under the first fully comprehensive review since it was established in the Gladstonian regime of the 1860s. Its modernization and development had taken place within the statutory framework established in 1866 with a partial restatement in the 1921 act.

I found that article interesting because it deals with the problems Great Britain is facing, problems that are quite similar to ours. As another democratic parliamentary system, many of the questions they are asking were the same questions we were asking in the committee and at the convention that our chairman and I and other members of this House attended with other parliamentarians from across the country.

One of the principles now being debated in Britain is the proper supervision and accessibility of publicly-owned corporations. This is a matter we have been dealing with in our committee and we deal with the same problem when members of our committee get together with members of other parliamentary committees. I remember talking at some length in Moncton to a former cabinet minister in the Barrett government who, as a member of the public accounts committee and a deep believer in the proposals of the Canadian public accounts committee, legislative auditors and of the kinds of things that are being said in the first pages of this report which is being tabled before you today, agreed that it is becoming an increasingly difficult problem as governments now set up more and more crown corporations, corporations that are not directly answerable to government. How do we make sure they are run efficiently and are accountable to the public?

In the article it is pointed out that this is one of the issues being debated in Great Britain at the present time. Should the public accounts committees have access to the books of nationalized industries, the national enterprise board and the British national oil corporations? That is one of the debates that is going on at the present time in the British Parliament and in British parliamentary circles.

On page 7 of the report—and our committee has dealt with the same problem—it says:

“The committee has recently embarked on calling a number of agencies, boards and commissions in order to ensure that they are following regular accounting practices and fulfilling their mandate as the legislation provides. Because approximately 80 per cent of the funds paid out from the consolidated revenue fund are in the nature of transfer payments this is an increasingly important function.

"A problem often arises, however, because some of these agencies, boards and commissions consider themselves to be autonomous from the government, and sometimes question the authority of the public accounts committee to scrutinize their financial administration."

This is a question we have raised in the report, and I think it is a question that members on all sides of the House must be interested in. As a democratic Socialist I believe that in a mixed economy—and some of my Socialist friends on the opposite side of the House, who have just taken over an oil company—

Mr. Cunningham: Some? All of them.

Mr. Philip: No. I was not including the Treasurer (Mr. F. S. Miller).

They have indicated by their pinko activities of the last few days in the acquisition of an oil company that they also believe—

Interjections.

Mr. Philip: Would the members like me to stop for them, because I cannot hear their interjections. I would love to comment on their interjections, but I must hear them.

Experience has shown that crown corporations, while serving important economic functions and important social functions, can also be as efficient as or, indeed, in many cases more efficient than some of the private enterprise corporations. But in order to ensure this happens we must have an efficient auditing system, and these companies must be publicly accountable.

The following questions, therefore, are most important to the kind of committee we are talking about, questions that are found in the excellent report which is just out by the Canadian Comprehensive Auditing Foundation, questions that deal with what we should really be about in a public accounts committee:

"Do the public accounts give an accurate and appropriate detailed report of the government's financial affairs so that it can be held properly accountable?"

"What are the taxes and other revenues due to the government collected and properly accounted for?"

"Was the money voted by the Legislature spent for the purposes approved, and did expenditures exceed the amount authorized?"

Those are the questions that members, regardless of their political persuasion and their philosophy, must surely be concerned about, for those are the questions that deal with accountability. Have those whom we have

entrusted as legislators to carry out our wishes carried them out in the direct way in which we have told them to do so? If not, why not? Was the administration frugal or extravagant in its buying and hiring practices? Were programs managed in an efficient or wasteful manner? Are programs being evaluated and results reported, wherever possible, and, if so, are the programs achieving what they set out to do, namely, to carry out the government's objectives as spelled out in legislation or in orders in council? What steps are being taken to rectify administrative weaknesses?

8:50 p.m.

Without a comprehensive auditing system it is nearly impossible to answer those kinds of questions. We as parliamentarians, in whatever committees, do not have either the time or the expertise to collect the kind of information that a proper public audit can do. That is one of the points that is also brought out in our report as to the reasons the work of this committee, and the work of those working for this committee, is so important for those of us who believe in responsible government and a representative government. Therefore, if we do not deal with those questions, or if we do not have a committee that has access to the right information to deal with those questions, we are really having our problems. Those are some of the fundamental issues we are dealing with in this committee.

I would also refer to an important part of our committee report dealing with the effectiveness of public accounts committees. This is a subject we dealt with extensively in Moncton. I find it interesting that, in all the sessions we had, the kinds of issues, the kinds of questions and, indeed, the alliances and the arguments cut across political lines. There would be a Conservative in Saskatchewan agreeing with a New Democrat in British Columbia, agreeing with a liberal chairman of the public accounts committee here in Ontario. That is why it is appropriate that there be an opposition chairman, and that he carry out his functions in a nonpartisan manner, as he has done.

As a member of the Ombudsman's committee, I feel it is ironic that we have not seen fit with that committee—which has an analogous function of not dealing with the partisan interests of any of us but rather of seeing that abuses that are done, not by politicians but by a system, be corrected—to follow the tradition of the public accounts committee and appoint an opposition chairman there. I admit we have a fine chairman, from what I have seen of his

manner of handling things so far. But surely in the case of the Ombudsman's committee it might well be worth the Legislature's while to consider its analogy with the public accounts committee and, in many cases, the overlapping of functions, and consider an opposition chairman for that committee.

On page nine, in dealing with the effectiveness of the committee, we pointed out that it has a problem. It is a problem that again is, in some ways, analogous to a problem of the Ombudsman's committee. It says that basically we have no authority to ensure the executive or the bureaucracy acts on the recommendations made by the committee or the auditor or both. That is a problem that I, as a member of the Ombudsman's committee, am also struggling with. It is interesting that the same problem is being dealt with in both committees.

The report goes on to say the committee must rely on the glare of publicity brought to bear by the press or on the presumed interests of the executive and the bureaucracy in good financial management. We point out that, unfortunately, the committee does not have within its powers either a stick or a carrot to ensure that our recommendations are carried out, and we have seen this in the past history of this committee. There are no incentives, no sanctions, that the committee can bring to bear on the executive and particularly on the bureaucracy.

Without incentives and sanctions for good performance, the committee is based solely on the ability to embarrass a minister to take some action or to make things so uncomfortable for a particular civil servant that he will take action. It is unfortunate that is the case. We must surely be looking towards a system where that does not have to take place. That is the very kind of thing that distorts the nonpartisan nature of the committee, that builds into it an inherent partisanship that should not be part of either the public accounts committee or the Ombudsman's committee. We have dealt with that on page 12 by suggesting that public officials remain permanently accountable for their decisions while in a particular office and that this accountability remain whether they assume a different post within the public service or leave it altogether.

It would be presumptuous of me to deal with some of the specific issues that the committee of which I was not a part has dealt with. The member for Rainy River (Mr. T. P. Reid) and other members of the committee have a deep, personal and intimate knowledge of South

Cayuga, Townsend and other issues, in the same way that I have a deep and personal gut feeling and knowledge of Re-Mor and other matters that came before the justice committee, on which I have been so active for so many years in this House. Therefore, I would simply like to say that the issues I am concerned about in this report are those of accountability and of running an efficient and effective public accounts system and public auditing system. Inefficient government is also insensitive government.

It is not just dollars and cents we are talking about. To make government more efficient is also to make it more responsible and more sensitive to those whom that government is serving or servicing. I think, therefore, that those items that have been raised, both in the first 13 pages of our standing committee on public accounts' final report and in the newly published Canadian Comprehensive Auditing Foundation report on proving accountability, concerning Canadian accounts committees and legislative auditors are probably even more important—indeed I know they are more important—than the very specific and at times embarrassing issues raised in the rest of this report.

I will simply conclude by saying the three months in which I have been a new member of this committee have been a rewarding and educational experience, and I look forward to serving on my new committee in the years to come and to working closely with the chairman and with other members of the committee.

Hon. Mr. McCaffrey: Mr. Speaker, I want to start off by complimenting the chairman and the members of the public accounts committee for the work they have done. I am intrigued to hear the former Speaker say that, while he has only been a member for three months, he is quite encouraged by it. I have an even shorter history than that with this committee—about two days—

Mr. T. P. Reid: But a great contribution just the same.

9 p.m.

Hon. Mr. McCaffrey: That is right. In the last four years it is one of the few committees in which I never did have an opportunity to get involved. But much worse than that, over the past four years and now, like a lot of people in this assembly, I find if one is not on a particular committee, more often than not one is just not at all alert to the kinds of things it is doing. At the outset I plead guilty to finding myself in that position.

Quite candidly, I read this final report of the standing committee on public accounts, dated December 1980, for the first time only the other day. I read it cover-to-cover and I was very impressed with it, to borrow a phrase used earlier tonight by the chairman of the committee. He talked about this committee's role coming at the end of the accountability cycle, after the budget and the estimates and the accountability through this House, the role of management board and public accounts. I think it is important. I would urge those few members who are here and have never been on this committee to take the time to read at least the first 15 or 20 pages of the report. That end of the cycle analogy is spelled out very clearly there, and I think it is an important role for all members of this assembly to understand.

I was particularly impressed with the relationship, again alluded to in the report, between the public accounts committee and Management Board of Cabinet. I want to make it clear here, at the outset, that I am speaking on this report tonight in my role as vice-chairman of management board—the Chairman of Management Board of Cabinet (Mr. McCague) is not in the province at the moment or he would be. As I understand from reading the report and in the conversations I have had with some of the management board people in the last few days, the relationship between management board and the committee is a close one. I know for a fact there is a good deal of respect held by the senior people of management board for the chairman of this committee and for the role of the public accounts committee itself.

In my conversations with them in the last couple of days, I know there is a very sincere attempt to work in a co-operative role with this committee. I do not know if this is a good analogy, but I was thinking that if the roles of Management Board of Cabinet and the public accounts committee are not parallel—that may be stretching the point—certainly their roles are not at all in conflict. Accountability of a financial nature is the operative word for both those groups. In my judgement, respect for that role and for the members of the public accounts committee goes well beyond the immediate people within senior levels of management board to the deputy minister and senior civil servants. There is no question that people I have talked with in the last few days share that respect and that spirit of co-operation.

If I may now turn to one specific recommendation of several I would like to touch on—that

is the first recommendation at the back of the book, at page 48: "The committee recommends that the deputy minister as chief administrative officer account for his performance of specific delegated or assigned duties before the legislative committee responsible for the scrutiny of government expenditures, the public accounts committee."

I said at the outset I think it is clear the government agrees with this principle. More to the point, the responsibility of deputy ministers to this committee and to other committees of this assembly is a well-established principle in Ontario. It is evidenced in large measure by the attendance of most deputies and their performance through the public accounts committee. I respect the fact that the chairman of the committee in his comments earlier tonight made reference to an isolated—I hope it is isolated—instance where there was a problem. For a variety of reasons I am not going to comment on it, principally because I am not aware of the details. The respect of the deputy minister and senior staff levels of this government for the committee, for the people on the committee and the role they play, is widely held. Certainly they know that the spirit of co-operation is expected of the deputies and their staff when they do attend at the committee.

Before I say much more about the question of deputy minister or senior staff accountability, I would like to say a word about the question of ministerial responsibility. I think it is important to make it clear that ministerial responsibility is a fundamental principle within this government and that there is no change in that basic principle. I say that because I am going to quote from page 11 of the report of the standing committee on public accounts.

At the top of page 11, the quote from the Lambert commission says: "While we have no wish to dispute the principle of ministerial responsibility, there can be little doubt that today the degree to which a minister really has the effective management and direction of his department is open to question. In the context of developments in recent decades, we are dealing with a government vastly transformed from the time when the conventional view of ministerial responsibility was formulated. The twin assumptions that Parliament has the clout as well as the information to exact a relevant accounting, and that the departments can be managed and directed by ministers, do not hold as they once did. We believe that the application of the principle must be reconsidered in the light of changed conditions."

Virtually everybody in this assembly understands the dramatic changes that people in government have been confronted with, particularly in the last decade, but there has been no change in this fundamental principle of ministerial responsibility in the view of the Ontario government.

When the Lambert commission report was done there was a feeling that was widespread, rightly or wrongly, that in Ottawa things were totally out of control and that the civil servants ran the shop. Whether that was conventional wisdom, to what extent Lambert actually reflected the reality in his report is open to debate. But that is not the view here. The question of ministerial responsibility, in spite of the changes in the last decade, has not been altered.

I would point out to the new members in particular that if they take a look at the government structure that has been in place here since 1971—I refer to the Management Board of Cabinet and all of those policy fields, et cetera—the whole structure of the Ontario government is designed to reinforce this fundamental principle of ministerial responsibility.

Having said that, with reference to the comments the chairman made about the changes, Lambert reiterates the changes we have all been confronted with in the last decade. We are under no illusions that is going to abate. I suspect the rate of change is going to accelerate in the 1980s.

Management Board and other people in the government are sensitive to that. I am sure the member for Rainy River is aware of this, but I would like to quote from a speech that the Chairman, Management Board of Cabinet, made some time ago when talking about the role of managers in the 1980s; by that he means senior civil servants.

I am not going to quote this thing in isolation. I want to make reference later on to the management standards project that is in place and well under way within the government. In short order, hopefully, it will be a lot clearer to people and many of the changes that have been worked on in the last couple of years will soon be clearer to people.

The speech I refer to was made September 14, 1980, by the Chairman, Management Board of Cabinet: "One of the adjustments"—he is talking about the future—"I believe we will all face during this decade is to recognize that senior executives will be called upon more and more to play a dual role as policy adviser and general manager. During the past few years, a

deputy minister's contribution has been heavily weighted towards the role of policy adviser. This will certainly continue, but the role will change substantially from one of advising on the creation of new programs to one of modifying existing programs and policies. In the 1980s, a general manager's role will take on as much importance as the policy adviser role.

"I predict the general manager's role will become crucial in the coming years. It will be especially important to the minister, who even now is being held ultimately responsible for the quality of management in his ministry. Media reporting of government tends to zero in on examples of bad management. During question period, opposition members search out examples of bad management of anything from policy advice and planning through to the proper handling of cash and individuals. At such moments it must seem that the minister is at the mercy of his managers, but the manager himself will be asked to shoulder some of the burden."

9:10 p.m.

While not deviating from this principle of ministerial responsibility, let me just read on a paragraph or two: "When a committee of the House concentrates on government policies, it is true that it is looking at political decisions, which you as managers"—he was making this speech to a group of senior Ontario civil servants—"are not expected to account for. But when the committee starts to delve into the reasons for the creation of that policy or the specific decisions made in carrying it out then you come into the line of fire.

"As the quality of management takes a front and centre position the manager is held accountable more and more for his decision-making and the quality of his advice. It is largely up to you to respond to this demand and to stimulate us as politicians to make the best choices for the taxpayers.

"If you have enjoyed the anonymity of your position as a manager I am afraid that you are going to see some changes. As many of you point out, you are going to be asked to explain and defend policy in a public forum—in committee. More and more we are seeing civil servants being named in the House, grilled in committee and challenged at estimates discussions. Freedom of information legislation will increase." And on it goes.

Mr. T. P. Reid: He was not a very good forecaster on that one. That was before the election.

Hon. Mr. McCaffrey: That was September 1980. Well, we will come back to that. He goes on: "In the face of this pressure it would be understandable for the manager to ask where his loyalties lie. Obviously, he has direct accountability to his immediate superiors, his minister and his ministry. But he is also"—and I like this part—"accountable to the public at large. The successful manager in the 1980s will be one who recognizes some of these larger obligations and is not intimidated by them."

I am not trying to go back to that excellent speech of the Chairman of Management Board in isolation from some other programs that are in place, because I think it speaks to a couple of the matters we are talking about here tonight. Ministerial accountability is paramount, but nobody, certainly not the senior civil servant, is naive enough for a moment to think that in the light of these changes, freedom of information and others, his role has not changed dramatically as well.

The reference I made earlier to the management standards project is an example of the kinds of things I have seen for the first time since I had the opportunity to become a member of Management Board, and I say quite straightforwardly that I have been extraordinarily impressed with what I have seen. Again, one could be a member of this assembly for years and not really be sensitive to the good work that public accounts is doing. One could be a member of this assembly for years and not even know that there was a Management Board, let alone what it does. I understand that, and I am often frustrated by it. There are a number of people—and I am one of them—who are going to try to address that situation in the future.

But today when we talk about the management standards project—and I am quoting here from a recent memo under that heading: "Today the management process is being evaluated by individual managers, the ministry internal audit groups. . ." The member for Etobicoke (Mr. Philip) talked tonight about the need that we as laymen have for some clearly understood and, one would hope, uniform auditing standards in order for us to make our political judgements—and I mean that in the best sense of the word—before we can bring our judgements into play.

Believe me, the people of Management Board are extremely sensitive to this. They have been alert to this for some time, and certainly over the last two years they have had a number of things in place to bring this uniformity and, one

would hope, simplicity to our attention as tools for all of us, and first of all as tools for senior civil servants.

"Today the management process is being evaluated by individual managers, the ministry internal audit groups, the Provincial Auditor, public accounts committee and others. A common set of standards would avoid conflicting criteria and encourage more objectivity. Also, because past reputations tend to endure and new approaches are not always recognized, an accurate portrayal of management accomplishments is needed to demonstrate both individual and organizational performance."

I guess, in a way, that goes back to a point that the member for Rainy River made with regard to merit pay increases and so forth. I do not have the time to go into that tonight, but I hope there will be an opportunity for the public accounts committee in this coming session—I guess the committee has a million things to do—to have the Chairman of Management Board back—I guess he has been there in the past—and some of the people within the staff there who have been doing some work on these internal audit and management standards programs.

The accountability and rapid changes that all of us elected and nonelected people within this establishment of government have to contend with are being addressed and I think very carefully so.

May I briefly, with regard to another recommendation in the report, quote recommendation two: "The committee recommends that public officials remain permanently accountable for their decisions while in a particular office." I can understand in the reading of the report why—I guess frustration would be an operative word—a recommendation like this might come forward. I am sure the chairman and members of the committee can understand why the government's reaction is not positive to that and they do not accept that recommendation.

There is no mystery to it. There is a feeling that permanent accountability should not become a formal requirement of public service positions. It is simply beyond the capability of any person to recall and recount explicitly, as they would be expected to before the public accounts committee, events which may have transpired many years ago. I do not know if at this stage of the game that particular recommendation requires any further elaboration.

I know the Chairman of Management Board has communicated with the chairman of the

committee on this. Permanent accountability has a host of brutally practical problems associated with it. I see it as a little different from the accountability question. I just see some serious practical problems in being able to have the senior staff cope with something like that.

Very briefly, the last comment I would like to make tonight on the report is about a matter very close to the chairman of the public account committee's heart—public opinion polls.

On page 49, the recommendation reads: "The committee recommends that the Premier set down a specific policy on access to polls in accord with the conclusions reached in background paper 13, entitled Freedom of Information and the Policy-Making Process, of the Commission on Freedom of Information and Individual Privacy."

For those members here tonight who are new members of the assembly, the question about polls has some history. During the four years that I have been here, I think it is fair to say that the chairman of the public accounts committee was a catalyst in keeping that question alive and hot before this assembly.

In the body of the report, on pages 34 and 35, I would like to just read this paragraph which is relevant to the question of public opinion polls: "... the committee believes that poll data collected by government should be routinely made available to the general public. It recommends that the Premier set down a specific policy on access to polls in accordance with the ..." It goes on about that background paper and then says:

"The committee supports the argument made there that because public opinion polls are based on scientific surveys they are factual information rather than opinion and thus do not involve the problems of disclosure of opinions and advice upon which the principle of confidentiality in government decision making is based. This policy would have the further benefit of dispelling concerns that the polls represent the use of public funds for partisan purposes."

For a couple of reasons, and that last sentence speaks to one of them, I for one would like to see this matter resolved and I am confident it will be resolved soon.

The situation as it stands is the following—and the member for Rainy River could do real justice to this because it has some history: at his urging, the matter came to a head when, following the passage of a private member's resolution requesting the release of public

opinion polls and the costs therein, most, if not all, of that material was tabled here in the assembly. A statement was made at that time that a government policy—a statement by the Premier—as requested here by the public accounts committee would be made known.

9:20 p.m.

I guess the most current information—and I share this with you, Mr. Speaker, and some of the other members—I can bring is an answer from Dr. Stewart in the Premier's office to the chairman of the public accounts committee. I will read the letter: "The government's position, until such time as such steps are officially announced, will be to follow the pattern which has been established over the past few years—that is to respond to specific questions about government commissioned polls in accordance with the standing orders of the House, and to leave the actual release of polling data to the ministries which are involved. I have attached for your information a copy of the answer provided by the government to Mr. Reid's Order Paper question number 92"—which was the request for that material.

That is the situation as of this minute. I have spoken to my colleague the Minister without Portfolio, the member for Carleton-Grenville (Mr. Sterling), who has, among other responsibilities, this freedom of information matter. He has told me that on or about December 15 of this year he is going to speak to the whole question of freedom of information in the form of a draft bill. I think that is what we are going to see. He will address this question.

Mr. T. P. Reid: December 15?

Hon. Mr. McCaffrey: On or about December 15.

Mr. T. P. Reid: Of this year?

Hon. Mr. Ashe: Same year.

Mr. T. P. Reid: Of this century?

Mr. Samis: I think the minister had better backtrack a bit.

Hon. Mr. McCaffrey: Did he say this year? I am not sure he said this year. But that was my understanding anyway, that this matter would be spoken to. I am sensitive to this, let us be honest, if for no other reason than because there is a perception that we are using tax dollars to take public opinion polls that we would use for partisan purposes. I want to make it clear I do not believe that for a moment, but I recognize the perception. I will never forget as long as I live one of the first committees I got assigned to

in this assembly after the 1977 election. That was the select committee on health care financing—

Mr. Martel: But you have got it made now—power, power.

Hon. Mr. McCaffrey: You weren't even there. Listen, when it comes to influence peddling you could write the book. But that is another story.

In regard to the select committee on health care financing, the member for Renfrew North (Mr. Conway), I recall, was a member of that committee and may, in fact, have asked the question of the Minister of Health (Mr. Timbrell), the same minister at that time. He said: "We understand you have taken some polls for the Ministry of Health. Among other things, you have queried people on their views about health premiums and how the expensive health system might be best paid for." The Minister of Health, not surprisingly, said: "Yes, we did. Would you like to see them?"

We had bushels of paper and polls and charts and diagrams. The good people from the Ministry of Health were in there showing us on their overhead projectors all the information and then some, all one would ever want, which came out of those public opinion polls. So I do not think it has been the mysterious area that people in many cases have made it out to be. As I say, I am confident it is something that will be spoken to by my colleague the Minister without Portfolio on or about December 15.

I just wanted to comment on those three matters, deputy minister and senior staff accountability, the question of permanent accountability, and public opinion polls. I want to say again, in conclusion, that I think the report is first class. I would urge members to take the time to read a little bit of it. I am not naive enough to think they are going to read it all. If private members can find time to sit in on that committee from time to time, I think that would be an important step. The operative phrase was used by the chairman at the outset—this committee's fundamental role in the process of accountability, at least of a financial nature, its relationship with the budget, management board, the whole estimate process; I think it is important to see that cycle in its entirety.

Again, I feel that the role of management board in a way does parallel the role of the public accounts committee. I say again, those two bodies are not in conflict. My compliments to the committee and I look forward to its next report.

Mr. Swart: Mr. Speaker, I want to rise and speak very briefly on this report of the public accounts committee. I have taken the opportunity to read parts of it, those in which I am particularly interested, and I would echo the words of the previous speaker that it is a thoughtful report. It deals with some very real problems that face this Legislature and all legislatures and does it in what appears to be a rather impartial manner. I would compliment the members of the committee on this report.

There are really just two items in it that I want to refer to specifically. The first is referring to the Ontario drug plan, and it is with particular reference to the senior citizens that I want to make some comments. I think all of us know that the drug plan applies to senior citizens, but partly because of the technicalities used, senior citizens do not actually get the drug card until, in normal practice, somewhere between one or two months after they become 65.

In my constituency office, and I am sure this is true of many other people, we have constituents dropping in who have just turned 65 and find out they are not covered for drugs. They may have fairly expensive monthly drug costs that may have been covered by the plan in the plant where they worked and thought they were going to get coverage at 65. Suddenly they find out they are not eligible for a drug card until some time later and that, in fact, there is no retroactivity and they have to pay out of their own pockets for the drugs during that period.

The present procedures provide that a drug card is provided for the first of the month after the month in which one receives the first old age pension cheque, and of course people do not receive that first old age pension or old age security cheque until the month after they become 65. So the person who might become 65 on September 2, like the Minister of Revenue (Mr. Ashe), would find he or she would get the old age pension cheque in the first part of October and would not get the drug card until November 1.

This is to eliminate duplication, at least theoretically. The first cheque paid by old age security from the federal government to an individual is done by computer and that computer copy is then sent to the province. On the basis of that, because it has all been screened by the time they get the first old age security cheque, they have had to ensure that their age is 65 and they are eligible for it. Once this has gone

through the federal government computer, then the Ontario government will send out their drug card effective as of the first of the next month.

9:30 p.m.

There is a way one can get it more rapidly than that and some people in Ontario do. I am told there are about 6,000 citizens of this province who get a drug card each month. Of those, some 400 use a faster route and that is to make direct application to the Ontario Ministry of Health. But if one makes that application directly to the Minister of Health, one has to submit all the documentation to the ministry, including the birth certificate and all of the other requirements, the same as one has to submit to the federal government.

The majority of people don't do it: first, because they don't know about it; second, because there is a lot of red tape to it and it has to be done some months in advance. So the great majority of those who become 65—in fact, perhaps about 97 per cent of them in this province—do not get their drug cards until into the second month after reaching age 65.

I asked a senior official in the Ministry of Health why they do not make this retroactive. He said: "It is a system that has been set up. It really gets to be a financial matter at the present time."

I suggest that for the amount of money involved in that, to delay a card on the average of a month and one half, and that is the average, is pretty poor administration. I want to assure the minister I have no vested interest; I won't be there for some period of time. They should work out a system—and it wouldn't be difficult—to make it retroactive, so that person's card would be effective as of the day he is 65 years of age. The cost would not be great, and it would be to the benefit of a lot of people.

It may be said that this is just something of a nuisance, that the costs may not be great; but the costs can be great. If a person needs a free drug card when he is 65 and two months or 65 and three months, surely he needs it the day he becomes 65 so there is continuity in his drug coverage. I would just say to the cabinet ministers who are here, any people over on that side, please take a look at that legislation and see if that cannot be changed to give that benefit to people as soon as they get to be 65.

I would also point out, just in conclusion on that subject, that the druggists themselves—and I hope the people on the other side will talk to some of the druggists in their areas—are finding that this is a great problem to them, because the

people come in and say, "I am 65 now; I should get it for free," and they almost refuse to pay for the drugs. They think somehow or other the druggist is trying to rip them off when, of course, he is not doing that at all; it is the policy of this government which prevents them from getting it at that time when they should get it.

The other item I want to refer to in this report is that pertaining to the land assembly. This is a matter which has been discussed in this House ad infinitum over the last four, five, six, seven years, and I do not intend to go into all of the details of that purchase of land, particularly up in the South Cayuga and Townsend area where, according to this report now, the government of this province has invested pretty close to \$36 million in the South Cayuga land assembly and another \$31 million in the Townsend land assembly, for a total amount of about \$67 million of the taxpayers' money invested there, for which they are getting very little or no return at the present time and the land is just lying there idle.

What bothers me about this report are the recommendations at the end. I must admit that the committee in its recommendations deals rather indefinitely with it. It says: "The committee recommends that the government now actively seek to minimize or end its losses on all three of these land assemblies"—they talk about a third one, too, of course, which is Edwardsburgh—"including an examination of the possibility of sale."

"The committee believes that the questions posed in these hearings warrant further examination of land assembly programs by the province. The committee, therefore, will look further into other land assemblies of the province in 1981."

Then there is the dissenting statement by the former member for Humber, Mr. MacBeth, which bothers me a little more, where he says: "Under the heading of 'Land Assembly,' the committee is critical of a number of land purchases. Events subsequent to the purchases have made much of the land surplus at the present time. If the economy had continued to expand, it could have been otherwise. To me, these purchases exemplify the dangers inherent in so-called land banking theory."

For myself and my party, we want to dissociate ourselves from that kind of statement about the dangers inherent in land banking. I want to say that land banking, properly used, is one of the best services and one of the best methods of cutting home costs that one can possibly have in

our society. There are plenty of examples across the province, and more across the nation, to prove this point.

We know that many municipalities in this province do land banking for industrial purposes. It is quite legal for municipalities to do it for that. Unfortunately, it is not legal for municipalities to do it for housing. I suggest that there is something wrong in priorities when municipalities spend that kind of money to get land for industry and commerce and cannot do it for housing. I suggest housing in our society is just as important as industry and commerce. Municipalities do it successfully, I think most of us would agree. Whether we are talking about Niagara Falls or St. Catharines in my area or many other municipalities in this province, we find they have gone into land banking. They have subdivided this land, divided it into blocks, provided the services and are performing a useful function for industry that comes into their areas. The history of land banking across this nation, perhaps with the exception of what was done in these instances, has been a real success in Ontario.

I was involved in this myself as head of my municipality some 20 years ago, when municipalities had the legal right to go into land banking or public land development—perhaps that is better terminology—and it was a tremendous success.

We had a co-operative group that wanted this land, and it pressed our council. We only passed it in council by one vote, although by the time it was over every member of council was laudatory about what had been done and the success of it because we could provide serviced land for people at far lower cost than the private sector.

This has been proven to be true in Saskatoon as well. But perhaps the most classic example was in Red Deer, Alberta, where all the development in that city since the last great war has been done by the city itself. There has been no private development—not because it is outlawed but because the policy of the city was so beneficial that the private developers have not got into the game and the city has bought land out around it.

Not only has it been able to provide this land at cost and service it, but the important thing is that it has been able to keep down the cost of the land around the outside of the city because it is out of speculation. The city owns that land for development for many decades in the future.

9:40 p.m.

If there is one fault with most of the municipal governments that are permitted to do this sort of thing, it is that they have not kept up the land banks. The benefits have all been there; they are in Saskatoon, in Edmonton and in Red Deer. In Winnipeg, a lot of land banking and public land development is done there. In every instance it has been proven beneficial, but they have not had people there who took the initiative to buy additional land when the land was being used up and, therefore, the land banking is not at the same level across this nation as it was 15 or 20 years ago.

The reason this was not successful in those three areas, particularly the two areas, was simply the extravagant estimates by the government and others concerned of the growth that was going to take place in this province and elsewhere. Those of us who have been on municipal councils have all been through this before. Municipalities want to think they are going to grow and, when they hire consultants to bring in estimates, they bring in estimates way beyond the growth that is actually going to take place.

For instance, on the regional planning committee of the Niagara region, the estimate that was brought in eight years ago was that they were going to have a growth of 155,000 in the next 20 years. The growth down there to date has been less than 20,000. That is true across this whole province. In every area, we have this growth orientation. I am not opposed to growth, but we are unrealistic about it; so we find all kinds of land across this province designated for urban development that should still be left as rural areas for farming. That is what has happened here. It was terribly bad estimates by the government.

There is nothing whatsoever inherently wrong with land banking; I repeat, there is nothing that will provide more benefits to home purchasers in this province. Municipalities and governments should go out and seriously do land banking on a reasonable and planned basis and not on the basis of some proposal by people who do not really believe in land banking. Perhaps that is the problem, that people who do not really believe in land banking make unrealistic proposals and blacken the concept of land banking, which is something we should be promoting in our society if we are really concerned about future citizens.

Anybody who is familiar with areas where there is massive growth must know the speculation that takes place in the land when the costs

of the land are driven up. In my area, in a period of five years, the cost of the land was driven up 20 times by speculation. Many people were deprived of the right to own their own home simply because the land costs were too high, getting up to 30, 40 or even 50 per cent of the total cost of the home.

I urge all members of this Legislative Assembly, and particularly the members of the government party, not to abandon land banking, not to discredit land banking because it was not done properly, but to use it in a reasonable manner from now on so that the people of this province can benefit by having cheaper homes and by having homes available that they could not otherwise afford.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to rise and speak to the report that we have before us this evening. I have listened with interest to some of the particular concerns that have been expressed by some of the members of the Legislature with regard to specific aspects of the report.

In the few moments available to me this evening, I would like to address my concerns to a specific area of the report. The area in particular that I have some concern with relates to the recommendations dealing with the Ministry of the Attorney General.

I refer to page 49, which synthesizes the recommendations contained in the report, and the one relating to the Ministry of the Attorney General. That particular recommendation provides and recommends "that formal criteria for eligibility for assistance from clinics be established by the law society, that the scope of audits of clinics be broadened, that purchasing procedures and records needed to safeguard fixed assets be developed, and that the frequency of visits by fund administrators to clinics for evaluative purposes be increased."

The recommendation is actually referring to what has been a very successful program in Ontario dealing with the community clinics established by the legal aid plan and monitored by the Law Society of Upper Canada.

The report deals with three specific matters. The one it seems to give the greatest attention, in addressing matters under the jurisdiction of the Ministry of the Attorney General, is that of legal aid community clinics: whether these clinics are performing within the spirit and intent of the legislation and whether the law society is properly monitoring their operations, particularly from a funding point of view.

In making this recommendation, the report in

turn refers back to the report of the provincial auditor, particularly section 89 thereof. To really home in on the area of concern, one has to look at some of the key facts raised within that section. I know it is a matter that has given some concern to the minister, because he above all wants to be assured that the program is working well, within the spirit of the legislation and within the original intent of what the legal aid clinics were set up and established to do.

The success of the program is reflected by its remarkable expansion since its inception in 1975-76. In that year, funding was provided for 13 clinics. In the space of three short years, the number of clinics grew from 13 to 31. I understand that five more clinics were established since that report, in 1980. So there has been remarkable growth, and not without substantial involvement from a financial point of view. The report of the provincial auditor points out that approximately \$5 million had been distributed to the various clinics during that 36-month period.

The report before us this evening draws attention to a concern, previously expressed by the provincial auditor, with regard to some apparent laxity in the way in which the funding of these clinics was being monitored and assessed. That, since the inception of the program, only three of the now 35 clinics has had any assessment whatsoever, heightens one's concern as to the allegation of laxity that has been laid with regard to the proper financial evaluation of the operations of these clinics.

I think it was proper and right that the provincial auditor has drawn attention to this matter and that the committee itself has addressed these concerns. There is concern not only with regard to the actual funding but also about whether the legal aid clinics that have been established have been operating in all cases within what was deemed to be their proper terms of reference.

9:50 p.m.

Again, it would appear there has been some laxity this time in the nature of the existing legislation, and a lack of clear definition seems to have created an uncertainty and an ambiguity that has brought about some criticism, fair or otherwise, with regard to the operation of some of the clinics because it has been suggested that in some areas the clinics seem to be operating beyond their terms of reference.

The terms legal and paralegal services, two independent community-based operations, have been given a broad definition. A great deal of

latitude has been given with regard to what that definition should be. When the matter was studied, in 1978 I believe, by the Grange report on legal aid funding, certainly there was latitude given with regard to definition. Nevertheless, concern was expressed in that study which suggested there was some validity to criticism raised in some quarters that the legal aid clinics were providing something more than legal services.

This is cited specifically in section 89 of the provincial auditor's report where he points out—it is in the report before us this evening—that these clinics seem to be involved in social action and legal reform activities which seem to extend beyond the realm of providing specific legal services.

Under the regulations established to try to give some clarification of definition, to give more precise guidelines to these legal aid clinics so they will not continue inadvertently to stray beyond their terms of reference, it would appear the regulatory process has been used in what I suggest is a somewhat inappropriate fashion.

As one who has been involved in studying the regulations process as chairman of the standing committee on regulations and other statutory instruments for several years, it was one of the fundamental principles established by the committee that the regulatory process should not be used to establish policy, but rather that policy is reserved and is the sole prerogative of the primary legislation, that is the statute itself.

Yet when one examines the regulation that was enacted in 1979 to try to assist the legal aid clinics in giving a clear definition as to what rights they had and what their operating terms were, we find in examining Part X entitled Clinic Funding, if one were to look at the top of the page one would realize it was a regulation, although one would think it was part of the statute itself because it not only includes definitions but also tries to establish guidelines that I think are the sole preserve of the statute rather than the regulations. The regulations, as we know, are set up specifically for the purpose of the administrative process and not for that of setting policy. Yet I would suggest that Part X, regulation 391, 1979, has more of a statutory flavour than a regulatory posture. While it has been used for the purpose of trying to resolve the dilemma, that regulation, in itself, is put in question for the reasons I have stated.

Since these criticisms were launched both in the Grange study and in the auditor's report, it is

apparent that the Law Society of Upper Canada has endeavoured to address these criticisms. In their 1980 annual report which was tabled in this Legislature during the spring session, it is apparent from comments made in the report dealing with independent community legal clinics that efforts will be made to tighten up on the clinics as far as the monitoring of their activities is concerned, both with regard to their financial accountability and with regard to their activities at large within the community under their terms of reference.

One could perhaps point to recent activities that might well illustrate the concern that exists today. I do not think this matter has been finally settled even at this point, although it is a matter that I understand the Ministry of the Attorney General is actively reviewing in light of the report from the Law Society of Upper Canada, and in light of reports from other directions.

One of the concerns that has yet to be resolved is that there are provisions within the regulations I was speaking about a few moments ago which preclude the committee from going in and monitoring all aspects of the operations of a legal aid clinic—where the people operating a clinic allege that certain information is of a fiduciary nature. The regulation clearly spells out that this creates a hands-off situation, and that any committee going in to study the financial and other aspects of their operation would be precluded from considering any matter or requisitioning any documents that legal aid clinic decided were reserved territory, so to speak.

I do not know if that is a satisfactory resolution of that problem. I think that has yet to be addressed and that there has to be full opportunity for review and investigation, an on-the-spot audit basis or whatever available to the committees if they are fully to perform their function of an ongoing monitoring of legal aid clinics.

Mr. Philip: You hypocrite. You argue that on this committee and then you argue the client-lawyer privilege on another committee.

Mr. Williams: But one of the interesting situations I was leading up to, and wanted to cite as an example of the activities of some of these legal aid clinics—I guess one would question as to whether they are really operating within their terms of reference. They are clearly operating in areas of social action and legal reform, without really providing specific legal services.

10 p.m.

I can cite a situation as recent as in the past two weeks in which I as a member of the justice committee have been involved, and which I think perhaps highlights the problem. A number of different community organizations made representations to the justice committee with regard to what is commonly known as the Metro police bill. One of those community activist organizations was an organization called Citizen's Independent Review of Police Activities. We had as a spokesman for that committee before the justice committee a former alderman for the city of Toronto who is certainly not known as being a moderate—a Mr. Sparrow. He acknowledged that many of the supporting groups and individuals of that self-appointed community organization were people who, certainly in the community at large, were known also for their less-than-moderate approach to some of the community and social issues.

Mr. Sparrow at that time cited the people who are commonly recognized and acknowledged to be the radical element within the city of Toronto council—I guess largely the unofficial NDP faction within council. He also stated that a number of community legal clinics were endorsing this independent review committee. I cite in particular the Metro Tenants Legal Services, the Neighbourhood Legal Services and the Black Resources and Information Centre, all of which are in fact legal aid clinics funded under the plan.

It was interesting to note that Mr. Sparrow in addressing the committee made specific reference to some of these organizations and made no apologies for them—nor did he need to. I think he had no hesitation in acknowledging his own position in the political spectrum within the city of Toronto or those of many of the people who were openly endorsing his organization.

In his testimony before the committee Mr. Sparrow was under questioning by the member for Etobicoke (Mr. Philip), who is a member of the justice committee. I might point out for the benefit of the members of the Legislature who are not members of the justice committee that the member for Etobicoke was endeavouring to establish that this organization was one of the more moderate community-based organizations in the city of Toronto.

Mr. Sparrow acknowledged a number of organizations certainly were heavily involved in the activities of his organization, those that he had cited, and he pointed out that these legal aid clinics that were openly endorsing him were going to openly support his community-based

organization rather than work within the framework of the legally established community-based organization that will be brought into being officially when the police bill is enacted here within the next few days.

Mr. Sparrow said that most of the legal clinics in town, I expect, will be in on the Tenants Hot Line and will help clients field complaints through them, not through Mr. Linden or the current process. So it appears that it was Mr. Sparrow's perception that these legal aid clinics should be working in an adversarial position against what I suppose Mr. Sparrow would categorize as the establishment and should be working through his organization, which I presume he would label as anti-establishment because of his adversarial approach to that whole matter and group the legal aid clinics openly endorsing him as being in that camp.

I suppose that is the type of social action and legal reform activity that gives concern as to whether legal aid clinics should be moving out of the field of providing legal advice and getting involved in community issues that are, in many instances, clearly polarized into political issues. It is a matter that I do not think has been totally resolved at this point.

I am not critical of legal aid clinics per se. I think they perform a very useful function in the community. I would say, however, the basic point I am making this evening is that some have clearly strayed afield, probably inadvertently, from what is their proper mandate to get involved in issues outside their real terms of reference. I would suggest that—

Mr. Ruprecht: How many legal clinics are supporting this?

Mr. Williams: How many are supporting the Citizens' Independent Review of Police Activities? I cited the three that were officially and openly endorsing it. I am certainly not intending in any way to blackball or whitewash legal aid clinics as a whole. I made that point a moment ago. In fact, I am totally supportive of the process and the principle, but I think they do have to be subject to public scrutiny when large sums of public moneys are being put forward to make these clinics work.

I know that concerns have been expressed in committee on the Ministry of the Attorney General estimates. No funding has been withdrawn, nor should it be until such time as it is shown that one or more legal aid clinics are misusing the funds that may be allocated to them by going beyond their field of responsibility. I think it is something that has to be looked at

and this report has highlighted the issue. It has not resolved the issue by any stretch of the imagination, but it is a matter that has to be pursued.

As I mentioned earlier, it is my understanding the ministry is continuing to monitor this. The Law Society of Upper Canada itself has apparently indicated in its report that it will tighten up on the funding process and be more diligent in addressing itself to the accountability aspects of the funding to these legal aid clinics. But I think their mandate does not stop there. I think they have the responsibility to consider that funding in the light of the known activities of these legal aid clinics.

That was a concern I wanted to spend a few moments addressing this evening in regard to this report. I hope it perhaps lays the groundwork for further discussion either at the committee level or there may be some other opportunity in this House in the near future to deal with this matter in a manner that would bring a clear and satisfactory resolution to the problem and to the concerns that make some of the members of the Legislature uneasy at this time. I would hope that in the immediate future these concerns will be addressed and resolved.

10:10 p.m.

Mr. T. P. Reid: Mr. Speaker, I believe I am the last speaker in the debate and I would like to make two comments. One that you are probably particularly sensitive to, Mr. Speaker, after some things that happened earlier today, is that in my remarks I kept mentioning that all members of the standing committee on public accounts had signed our 1980 report. It has been pointed out by those who know better than I that, in fact, all members did not sign the report. I was the only one who signed the report, and I suppose what I should have said was that they concurred in the report and did not refuse to sign it.

I would like to thank the vice-chairman of management board for the remarks he has offered tonight. I would also like to put on the record that while I was critical of some of the civil servants in the Ministry of Health, since our report came out last year I have been more than impressed with the co-operation and attitude of the deputies and their staff who have appeared before the committee since the election with—I must say unfortunately again—the Ministry of Health.

The House adjourned at 10:12 p.m.

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Ontario.

LEGISLATIVE ASSEMBLY

No. 72

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, October 16, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, October 16, 1981

The House met at 10:04 a.m.

Prayers.

VOTES AND PROCEEDINGS

Mr. Martel: Mr. Speaker, I want to draw your attention to the Votes and Proceedings for yesterday with respect to the private members' hour. Those of us who were here yesterday will recall that the vote was 38 for the ayes and 37 for the nays.

Mr. Speaker: Order. This has already been spotted and recognized, and I was going to make a statement on it.

I would like to advise all the members that, owing to a printing error in the Votes and Proceedings of yesterday, October 15, the division on the motion for second reading of Bill 132 shows that the ayes are 37 and the nays are 37. The printing error is that Mr. Williams's name has been shown in the ayes instead of Mr. Wildman and Mr. Wrye.

This error will be corrected in the journals, and an erratum will be published in today's Votes and Proceedings.

MINISTERS' COMMENTS

Hon. Mr. Bennett: Mr. Speaker, as a result of a request of a member of the Liberal Party yesterday in relationship to a remark I made using the terminology "lilywhite," which seems to offend some, to keep the esprit de corps and decorum in this House, without the request of the Speaker, I will withdraw that remark.

Hon. Mr. Norton: Mr. Speaker, during the course of question period yesterday afternoon, in the heat of an exchange with the member for Hamilton Mountain (Mr. Charlton) I believe I referred to him as a "twerp." That, as I understand it, is a word that is defined as meaning "an insignificant or objectionable individual."

I must say that I do not feel any member of this Legislature is insignificant and, out of respect for the preservation of decorum in this House and great respect for the chair, I withdraw that remark.

STATEMENTS BY THE MINISTRY

TRUCK SAFETY

Hon. Mr. Snow: Mr. Speaker, as you may

know, public debate over truck safety in this province has intensified over the last few months, and it is an increasingly acrimonious debate.

As evidence of the strongly divided feelings on this issue, I would like to cite a couple of brief comments from two well-known trade magazines. The first was published in the April edition of Canadian Motorist. I quote:

"As our dwarfish cars continue to shrink . . . this most dangerous of commercial transportation modes will be more and more responsible for the carnage that follows carelessness, a split second of inattention . . . or a drink too many."

Rolf Lockwood, the editor of a popular magazine for truckers, responds to this charge in the May/June issue of Driver Owner. In his editorial he says:

"That magazine and its opinion don't deserve attention . . . so I'll let it go by saying that the author and his editors got things wrong. Very wrong. The truth is that truckers are not as careless, and trucks not as dangerous, as the critics claim."

The truth of the matter probably lies somewhere in between these two extreme positions. But there are no credible and reliable data to confirm or deny these charges and counter-charges.

With this kind of public dialogue, reinforced by extensive media coverage of every spectacular truck accident, a growing public concern about the standards for trucks and their drivers comes as no surprise.

As a member of the Legislature who travels the Queen Elizabeth Way each day, one of the busiest truck routes in the province, I can sympathize with motorists, particularly those driving small, energy-efficient vehicles.

At the same time, I can sympathize with truckers who feel the allegations of carelessness are unjust, for I know members of the trucking industry who are very conscious of the need for highway safety. As a matter of fact, there are truckers out there who feel very strongly that some of our existing truck safety regulations are discriminatory.

I believe we have to get to the root of this problem, one way or another. We have to

determine whether truck safety is a real or perceived problem in this province. It is a vitally important issue to resolve in terms of both this government's commitment to highway safety and our commitment to economic growth and stability.

10:10 a.m.

As we all know, trucks play a very key role in the transportation of goods in this province, and we want them to continue to make this contribution as safely as is humanly possible.

I have commissioned a comprehensive study to investigate and report back on the status of truck safety in Ontario. In doing so, we will not only resolve the current debate but also fill the gaps left by the select committee on highway safety, undertaken by this House in 1977. That committee did not have time to conduct the kind of in-depth investigation necessary for a complete understanding of the truck safety issue.

I am therefore pleased to announce that Dr. Robert Uffen of Queen's University will conduct the Ontario Commission on Truck Safety. Dr. Uffen is not an expert in the trucking field and was deliberately chosen for that reason. We do not want anyone conducting this study, particularly in the middle of a heated public debate, who has an axe to grind. I believe Dr. Uffen, who is seated in your gallery this morning, Mr. Speaker, fits that bill. I ask Dr. Uffen to stand.

I have talked with him at length and was most impressed by his strong, analytical mind and his keen sense of fairness, which are attributes that will help him maintain public credibility while tackling this difficult assignment.

He has a long list of credentials for the job. In addition to his scholarly duties at Queen's University, Dr. Uffen is a member of the Ontario Royal Commission on Health and Safety Arising from the Use of Asbestos in Ontario. He has also served as a member of the board of directors of Ontario Hydro, including four years as vice-chairman.

Dr. Uffen has also served as chief science adviser to the federal cabinet and has been a member of such distinguished organizations as the National Research Council, the Defence Research Board and the Council of Regents for Colleges of Applied Arts and Technology in Ontario.

The commission will consider such areas as driver training, the classified driver licensing system, vehicle inspections and vehicle length and configuration, and will generally define

public and industry expectations. In its final stage, Dr. Uffen will summarize the current state of truck safety in Ontario and will report his findings with emphasis on practical solutions to identified real problems.

I expect that Dr. Uffen will submit his final report to me before the end of 1982. I am confident that Dr. Uffen's investigation will provide us with the facts to satisfy our own and the public's concern on this important issue.

ONTARIO HYDROGEN ENERGY TASK FORCE

Hon. Mr. Welch: Mr. Speaker, today I am pleased to table for the honourable members a synopsis of the report of the Ontario Hydrogen Energy Task Force. This synopsis contains the executive summary and recommendations of the task force. The several volumes of the report itself are being printed and will be released in the near future.

As you and members of the assembly are aware, Mr. Speaker, it was on February 25 last year that I announced the formation of the task force under the chairmanship of Dr. Arthur C. Johnson of York University, who I am happy to say is here today.

Dr. Johnson and the 10 other members of the task force were assigned to determine the potential role of hydrogen in Ontario's energy future. Their report confirms my belief that this province is in a strong position to become a world leader in the development of hydrogen as a fuel.

As the honourable members may know, there are two preferred ways to make hydrogen in the province. The most common method is to extract hydrogen from a hydrocarbon such as natural gas. The other method, and currently the most expensive, involves electrolysis: using electricity to separate water into its component parts of hydrogen and oxygen.

Hydrogen is now used primarily in oil refineries and in the production of ammonia. It is also used in the manufacture of certain metals, drugs, chemicals, plastics and foods. As those interested in the American space program know, hydrogen powered the space shuttle Columbia.

As the task force points out, we do not have much oil and gas in this province, but we do have lots of electricity from hydro and nuclear power. The cost of electricity from these sources is going down in relation to the cost of energy from fossil fuels.

This, coupled with the success of our Candu

reactors, our substantial supply of uranium and our sophisticated manufacturing industries, puts Ontario in an enviable position to expand our use of hydrogen.

We would be building on an energy source indigenous to this province of ours.

In fact, this task force report says that hydrogen produced in Ontario through the electrolysis of water could be competitive as a feedstock within 10 to 20 years.

The report suggests that the first use of hydrogen made here with electricity would be to replace the more expensive hydrogen from natural gas being used in oil refineries.

But the task force report notes that if hydrogen is to make the maximum impact in this province it has to be used as a transportation fuel. This is important, because Ontario uses about one third of the crude oil consumed in Canada, and about one half of that is used in transportation.

According to the report, long-distance buses and transport trucks will be the most likely vehicles to use hydrogen. It could be used to fuel trains, ships and airplanes. It also could be used in cars once a suitable small-scale, on-board storage system has been developed.

The honourable members will recall that in June of this year I announced that a contract had been signed between the Ministry of Energy and the Urban Transportation Development Corporation. The five-year, \$6.2-million contract is to develop hydrogen storage and fuel systems that will be used to equip two transit buses. This program will provide us with some of the experience we need to move into the hydrogen era in transportation.

This contract was the first step in my ministry's five-year \$75 million program to develop alternative transportation fuels. As the honourable members know, work is being done to develop other fuels, such as propane, methanol, ethanol and compressed natural gas, which will be medium-term alternatives to gasoline until hydrogen fuel is commercially viable.

Last January, I suggested to the federal government that it co-operate with us to set up a hydrogen research centre in the province where scientists could begin to develop the technology necessary to produce and utilize hydrogen on a greater scale.

I am very pleased to see that this report supports my proposal that an institute be established here soon. I am also pleased to report that plans to this effect are under way and that we hope to make an announcement about a hydrogen institute in the very near future.

We think such an institute will attract experts from around the world whose work will put Ontario in the lead in developing the systems to produce, distribute and utilize this new fuel. Their research will help us develop ideas about how hydrogen should be stored, moved and handled, and may help create new designs for hydrogen engines and fuel cells.

Interjections.

Hon. Mr. Welch: Mr. Speaker, I encourage all members of this Legislature to read this synopsis and, later, the report itself. It might be wise to read it even before the interjections are volunteered.

Mr. Foulds: Why? The minister did not read it before he read the statement.

Hon. Mr. Welch: What does the member think I was doing last evening? I was reading it from cover to cover.

We could be at the beginning of the development of a new form of energy as significant as that of electricity.

At this time, may I extend my thanks to Dr. Johnson and the other members of the task force for the excellent work they have put into this report.

My ministry staff will be studying this document with a great deal of interest to decide how best to implement the various recommendations. I will be very pleased to keep the honourable members up to date with respect to our progress.

PERFORMANCE '81

Hon. Mr. McCaffrey: Mr. Speaker, earlier this week all honourable members found on their desks an invitation from my colleague the Chairman of Management Board of Cabinet (Mr. McCague). In his absence, I would like to speak briefly to that invitation.

On November 3 and 4, the Management Board of Cabinet is hosting an event called Performance '81, which is a showcase designed to help management staff meet the demands of the 1980s.

10:20 a.m.

We are all very much aware of the changing environment around us. Issues such as inflation, energy costs, changing social values and the technology explosion impact on all of us and in particular on the government in the management of its day-to-day and longer-term affairs.

In order to help our managers meet the demands of the 1980s and to further improve management across the entire public service,

this government, spearheaded by Management Board, has undertaken several initiatives. These include an expanded role for internal audit, a management-by-results improvement program and the establishment of a management standards project.

Performance '81 will focus and elaborate on many of these initiatives. We want all members to feel free to attend any part of this two-day event, as I am sure they will learn a lot more about how well our government is managed and how we are constantly seeking ways and means even to improve on that. Members of the press gallery will be receiving notices of this event as well.

The invitations, addressed to all honourable members, asked if they would like to join us for a preconference breakfast session at 8 a.m. on Tuesday, November 3. I personally hope many of the members will see their way clear to do so, as that session will help set Performance '81 in the context of general management improvement initiatives under way across this entire government.

ORAL QUESTIONS

NIAGARA RIVER POLLUTION

Mr. Smith: I have a question for the Minister of the Environment, Mr. Speaker. The minister has claimed publicly that none of the information in the report on Niagara River water quality—The Ravished River is the title of the report—was a surprise to his ministry. He also says he is prepared to take legal action to stop the pollution going on on the American side of the Niagara River.

If this information was well known to his ministry in the past, can the minister please explain to us why he has not acted before now? Is he not afraid he is going to give the impression that only when matters become public does his ministry become interested in protecting its backside, and as long as the information is there and not public there is no need to take strong public positions?

Hon. Mr. Norton: Mr. Speaker, I think the honourable Leader of the Opposition is reading something into my statement that was not intended. Certainly I did say, and I will reiterate, that on the basis of our review of that document there would appear to be almost no new original information. Any time I have been asked for this, I have tried to qualify it by noting an exception: there do appear to be some new samples of sediment and leachate from some

dump sites. But that did not significantly add to the body of knowledge, because we had certainly done testing of some of those sediments as well.

I think the reference to the possibility of pursuing legal action is again a legitimate position, especially in the context of all else failing in terms of present co-operative efforts that are under way. For example, we have a group composed of representatives of the federal government in Canada, the Ontario government, the New York state government and the Environmental Protection Agency in the United States which is engaged in very detailed monitoring and documentation of the situation in the Niagara River at the present time.

As I have indicated, there is a forthcoming meeting involving the Premier and Governor Carey, the commissioner of the Department of Environmental Conservation in New York state and myself. However, I did say, and I will reiterate, that if there are no signs of very significant progress we will explore legal action.

I have asked my staff to review the American legislation and to seek whatever advice is necessary on those avenues that would be open to us. There are some that come to mind immediately, such as the opportunity to intervene when the existing permits for some of these companies come up for review in the near future. I presume there will be other avenues as well, although I will await a review of the American legislation before knowing precisely what they are.

Mr. Smith: My colleague the member for Niagara Falls (Mr. Kerrio) accused the minister the other day of being negligent—and I think he used even stronger terms than that—and the minister's answer to that was that he had not even seen the document yet and therefore presumably could not have been expected to act since he was in ignorance of what it contained.

Now that the minister admits the document contained nothing of real substance that he did not have as knowledge in his ministry and he can no longer plead ignorance, I would suggest that negligence, once again, becomes the only possible thing he can plead.

I ask the minister in this instance to recognize that if he did not take or even talk about taking legal action before, when he did have the information, then either he is grandstanding now because the matter is public or he has been negligent up until now. Which one is it?

Hon. Mr. Norton: It is neither. If the Leader of the Opposition would read his own question

and the preamble to that question in Hansard, he might have some difficulty understanding his own logic.

First of all, how does he know what I have or have not discussed before? For example, my comment yesterday was in response to a specific question. I was not grandstanding. I was asked if we would consider the possibility of legal action, and I very thoughtfully and methodically explained our position. The Leader of the Opposition should not accuse me of grandstanding under those circumstances. If he had the wit to ask me that question in the House, he might have received the same answer.

Mr. Cassidy: Mr. Speaker, given that a water supply to Niagara-on-the-Lake is now being built so that the people there will not have to drink water from the Niagara River, and given that the member for Brock (Mr. Welch) is drinking bottled water, I understand, so that he does not have to get water from Niagara-on-the-Lake's present water supply, is the Ministry of the Environment prepared to make the same facilities available to the less affluent people of Niagara-on-the-Lake so they too can avoid what is in the Niagara River until their new water supply is built?

Hon. Mr. Norton: Mr. Speaker, I can assure the honourable member, with a fair degree of certainty, that the member for Brock, his wife and his family do not drink bottled water except possibly on occasions when they mix it with something else.

Mr. Kerrio: Mr. Speaker, now that the minister has taken the stand that he has, how can he explain the fact that he and his predecessor have constantly refused to appear on the SCA issue, the Hyde Park dump issue and the treatment plant issue in Niagara Falls, New York? We have had to drag the minister kicking and screaming over there to make his objections known, and at this late date he has now decided that he is going to become involved.

Is the minister going to tell us now in this assembly that he is going to send representation over there to object strenuously to what the Americans are doing and look into the involvement of his own ministry with the control orders and plants on our side? I wonder if one of the reasons he might have hesitated is that we do not have that good a record over here.

Hon. Mr. Norton: Mr. Speaker, I will not grandstand on this issue. I will continue to approach it seriously and thoughtfully. The

honourable member says we have been dragged kicking and screaming. That is nonsense. In the hearings that have been under way in New York state, we have had three staff members there on a daily basis monitoring those hearings. I have also indicated—and I am not sure if the member has asked me this before, but others have—that when the hearings on the SCA relaxations are held later this fall, we will also have staff there to monitor.

Mr. Kerrio: They are polluting our river right now.

Hon. Mr. Norton: But the fact of the matter is that when we intervene it is critically important that we be able to do so on the basis of very sound scientific information. There is not much point in intervening if, on the basis of existing information, we do not have a strong foundation for objection.

10:30 a.m.

We are monitoring very carefully what is going on, but it seems to me that is a different matter from what I was suggesting when the member's leader asked me a question about the possibility of legal interventions at a time when existing permits for the dumping of effluent are coming up for review. Either the extension of those or their relaxation would be something in which we would very seriously consider intervention, but we would only do it if we had a sound foundation. If one were to rant and rave down there the way the member opposite sometimes does here—

Interjections.

Mr. Speaker: Order. Order. A new question from the Leader of the Opposition.

Mr. Smith: The Minister of Energy (Mr. Welch) went as a private member himself once to the SCA hearing.

Hon. Mr. Welch: I live there—

Mr. Smith: Yes, indeed, he was.

Hon. Mr. Welch:—and I think the member opposite should be more responsible to those people, to assure them that their water is all right.

Mr. Smith: Tell the minister about it.

Mr. Speaker: The member for Lincoln has not been asked a question at this point.

Mr. Smith: Brock. Brock.

Hon. Mr. Welch: I am not the member for Lincoln, I am the member for Brock.

Mr. Speaker: I am sorry.

Interjections.

Mr. Smith: Do you see what drinking that water does to you, Mr. Speaker?

Mr. Speaker: I thought the area was noted for producing other beverages.

Mr. Smith: I do not drink from the same bottle, I am afraid.

Interjections.

ACID RAIN

Mr. Smith: Mr. Speaker, I have another question for the Minister of the Environment with respect to the Felske report on Inco's capacity to clean up by 1985 to below 1,000 metric tons of sulphur dioxide emission a day.

Has the minister been contacted by agents of the United States government who called my office and asked me for a copy of that report? I told the people from the American consulate, who were acting on behalf of the American embassy, that I was not in a position to give them the report, since it had been prepared for the Minister of the Environment, but I recommended that they might want to contact his office for the report.

Has the minister's office been contacted for a copy of the Felske report? And if it will be contacted—if it has not already been contacted—would it be the minister's intention to give the United States government a copy of that report?

Hon. Mr. Norton: Mr. Speaker, to the best of my knowledge, there has been no such request received by my office. I could check and see whether they might have contacted the office this morning, but I am not aware of it at this point.

When the member opposite asked about the Felske report the other day in the House, I said I had not seen it, and I had not at that time. He had the impression somehow that it was being kept under cover or under lock and key or hidden on my desk or something—and it is possible sometimes, because of the condition that the surface of my desk gets into.

Nevertheless, that report was commissioned, going back into last year, I believe, before my coming to the ministry. One of the purposes of its being commissioned was so that it could be provided to the Ontario-Canada task force, which is looking at options in terms of technology that might be pursued with Inco, Falconbridge and other smelting operations. That is where it is.

The report has been transmitted to the federal-provincial task force at this point. And it

is not secret; there are members of the public on that task force who are not government employees, and it will be part of their recommendations, which I expect will be made by early 1982.

If I do receive such a request from the American consulate, certainly I will give that very serious consideration.

Mr. Smith: I asked if the minister was going to give them the report. He says he will.

An hon. member: It is under consideration.

Mr. Smith: I did not ask for consideration.

Hon. Mr. Norton: I have not received the request, to the best of my knowledge. I have no interest in keeping that report or anything else secret—

Mr. Speaker: You have already answered that question.

Mr. Smith: Fine. If the minister is going to give that report to the Americans, he must surely realize that the Americans can read, and unlike the minister's chief advisers, they are actually interested in the contents of the report and will not keep it from their own minister the way his advisers kept it from him.

I would ask the minister what counterarguments he could give the Americans. They will state plainly upon reading that report that he could have asked Inco to come down by 1985 to between 700 and 800 metric tons of emissions a day with known available technology—without drastically hurting the company, without costing any jobs, and increasing the efficiency of the company in the long run. What counterarguments will he give to the Americans when they ask why Ontario did not do that?

Hon. Mr. Norton: I have no intention of making any counterarguments. The fact of the matter is the present order to which Inco is subject runs until next year. If the member will recall from reading the report, if he has read it, he will understand that Felske, as I recall, recommends that, if action is commenced in 1982 and if that course of action is pursued, the flash furnace could be in place and operating by 1985.

That is still within the realm of possibility. When the task force has evaluated that technology along with other technology, and makes some recommendations to us and the federal government on what is the most effective way in which to approach further abatement, that may well be the course of action that is taken.

But I am not now going to stand here and say absolutely it will be a flash furnace when we have a group of experts at the federal and

provincial levels, and people from the public, looking at this technology and commissioning reports on other technologies. From these they will make recommendations as to the best.

The member might wish to operate that way if he were in a position where he bore the responsibilities I have—not weighing alternatives, not looking for the best alternatives, but just grasping the first thing that comes along, saying, “That is going to be it.” That is not the way I operate. I am looking for the best and most effective way in which to reduce our emissions in Ontario.

Mr. Martel: A supplementary question, Mr. Speaker: The only thing they have done so far is to put up a superstack. In 1973-74 Inco indicated it had the technology and it was merely a question of money to make the necessary improvements. Why is it that in 1974 and 1975 Inco was allowed to take the money it had in reserve to purchase ESB in the United States rather than build a new smelter in Sudbury and, in that period of time, the orders which were imposed were watered down? When is the minister going to get serious about the acid rain problem from Inco?

Hon. Mr. Norton: Mr. Speaker, I am serious and I always have been serious about that subject. We will continue to be serious about it and do the very best we can. I am afraid I have not been in this House or at Queen’s Park as long as the member has and I do not know exactly what happened in 1972.

Mr. Kerrio: A supplementary question, Mr. Speaker: Does the minister now think he has done irreparable damage to the negotiations in Washington because we have not been completely honest with the Americans? Is that not going to give them every reason in the world not to comply with his request and the request of the federal government?

Hon. Mr. Norton: I do not know what the member’s suggestion is that we have not been completely honest. We have been completely honest in our dealings with the Americans and continue to be.

Mr. Kerrio: They were not told this.

Mr. Smith: You said you were doing all you could at Inco and you were not.

Hon. Mr. Norton: Oh, malarkey. Calm down. I do not think I will have to retract that one. We have been open and honest with the Americans

in terms of what we have achieved and orders we have in place and what we will achieve by the end of this decade.

Mr. Kerrio: That is not what they are saying now.

Hon. Mr. Norton: Of course that is not what they are saying. They hear people like the member who for political advantage are trying to undermine the integrity of the very strong position that Ontario and Canada have in these negotiations.

10:40 a.m.

Mr. Smith: I took my position a year and a half ago and you know that.

Hon. Mr. Norton: Sure, your loyalties are all south of the border.

Mr. Smith: I stand on a point of privilege, Mr. Speaker. The minister has just said that my loyalties are south of the border. I ask him to withdraw that contemptible comment. Furthermore I ask him to be a man and recognize that I took the position that there was enough information available a year and a half ago to say Inco could have been brought under a control order of under 1,000 tons by 1985. This is not a recent position.

For a man who claims to be waging his number one war against acid rain, does he not think it is pretty shoddy that he did not even know of this report that was available for more than a year? I ask him to withdraw the comment about where my loyalties lie. My loyalties are as leader of Her Majesty’s loyal opposition.

Hon. Mr. Norton: Mr. Speaker, the honourable member did not ask me which border I meant; I might have meant Halton-Burlington, or whatever.

I will retract that. But I do think it is important the honourable members understand that when they make these free-wheeling allegations they really are potentially playing into the hands of very powerful interests in the United States who are fighting not only us but the American states that are doing something seriously about acid rain. The Leader of the Opposition is not helping our situation at all.

Mr. Smith: Helping him hide it. He has not withdrawn the statement, either.

Mr. Speaker: Order.

An hon. member: He did so.

Mr. Smith: All right. It is my environment researcher who is heading the whole fight down there, as the minister well knows.

Mr. Speaker: Order. Order.

INTEREST RATES

Mr. Cassidy: I have a new question for the Minister of Housing, Mr. Speaker. Yesterday the minister said that at least 35,000 home owners in Ontario would be paying more than 30 per cent of their income in mortgages because of mortgage renewals taking place this year. Will the minister undertake to share that report by tabling it in the Legislature? Will he not agree that people who are put in that situation will be put in dire straits because of the increase in interest rates?

Hon. Mr. Bennett: Mr. Speaker, I indicated very clearly yesterday there would be 35,000 households paying 30 per cent or more of gross disposable income on shelter if the mortgage rate was 22 per cent. I was very cautious in saying there would be that number out of 230,000 mortgages which would be renewed in Ontario in the current year and out of the overall total of 1.1 million which exist in the province. I said 35,000 households, according to our statistics, would be paying in excess of 30 per cent of their gross disposable income. I emphasize again that it relates to 22 per cent on the mortgage rate, and I am prepared to table in this House the facts and figures we have in the ministry to back up this information.

Mr. Cassidy: Thank you, Mr. Speaker. Let me give the minister a couple of examples of people who are in the situation that was described. Here is a Mrs. Diane Brighter, who lives on Fairview Avenue in Windsor, who signed a two-year mortgage at 11.75 per cent two years ago. It is being renewed on October 1 this year, and her mortgage payments will jump from \$569 a month to \$1,035 a month on a home that is in the \$60,000 range. She must sell the house and lose the \$12,000 that she put into it two years ago.

Here is the case of a Patrick Raymond, who lives in Essex, Ontario, also near Windsor. He is one of the workers affected by the layoffs at Chrysler, and he has worked there for eight years. His payments are going from \$270 to \$506. He does not know whether or not he will have a weekly income because of the layoffs at Chrysler, and his interest rate has gone from 10.75 per cent to 21.25 per cent. That is a home that has been owned for 10 years on which they owe only \$30,000.

Are those people not in dire straits? What does one say to those people when they turn to us in government and ask, "What kind of action are you going to take so we can keep our homes?"

Hon. Mr. Bennett: Mr. Speaker, again yesterday I recognized that not all 35,000 we spoke of in that 22 per cent interest rate category—or whatever the number happens to be: if it goes down to 20 per cent it is 30,500 and so on, and it drifts down in relation to the interest rates. I would be wrong to say there will not be some in that number of mortgages being renewed who will be very badly affected by the very rapid escalation in the interest rates they are going to meet on their mortgages.

I said yesterday, and I repeat, our people in the Ministry of Municipal Affairs and Housing have met with Canada Mortgage and Housing Corporation and have met with Mr. Cosgrove, and have discussed the question with the federal government. I want to make it very clear that the federal government should be involved in a program that could very well assist those who are hardest pressed, where their shelter allowance exceeds the 30 per cent of gross debt service. It certainly is not my privilege at this time to try and predict what is going to be in the federal budget, but I think it is reasonable, according to Mr. Cosgrove's remarks anyway, to have the feeling there will be some assistance for those who are extremely hard-pressed and can indicate it.

The federal Minister of Finance has clearly said to the financial institutions they should try to be as lenient and as compassionate as possible in their renewal of those mortgages and should assist those who are hardest pressed. As some members of this House know, there have been a number of proposals made, both by the financial institutions themselves and by government, of ways they could defer some portion of the principal and reduce the monthly payments so those individuals could retain their homes.

On behalf of the Ontario Mortgage Corporation, we announced in this House, and we have since extended it, that on those mortgages that are being renewed by OMC we do offer alternatives in the interest rate in relationship to CMHC section 58, which sets the national interest rate as far as the federal government is concerned. If one is to renew a mortgage with the OMC, if they take it for a one to two year period, it is two and a half per cent below the section 58 rate set by CMHC. If it is for a two-year term it is two per cent below, and if one wants to take a four- or five-year term, it is one and a half per cent below the rate set by CMHC. I think this government through OMC, our

direct responsibility, has tried to show some leadership for those in the other areas of mortgages.

Mr. Nixon: Final supplementary, Mr. Speaker: I wonder why the minister does not simply expand his policy, which he uses to persuade people to buy homes in Townsend, to the rest of the province. In Townsend, as the minister knows, he subsidizes the mortgage rates down to 14 1/2 per cent to persuade people to go into that herd of white elephants he calls his new town.

This is a subsidy of more than \$4,000 per buyer, and if he were to use that policy, even in selected areas across the province, that would be the sort of assistance which would not depend on Mr. MacEachen's initiative, or federal laws, because he is already doing it.

Why can he not apply that kind of assistance to cases of the type of George and Barbara Wryghte of Toronto. George is 26 and earns \$13,500 as a shipper with a computer company, and \$20 a night as a car jockey at a racetrack. Barbara is in her mid-20s and earns \$6.40 an hour at a tape manufacturing company. They have a 13-month-old daughter. They purchased their two-bedroom east end Toronto bungalow in 1978 for \$41,500. Their monthly payments then were \$400. Upon renewal they will be \$700, a 75 per cent increase. They could not afford to renew and offered their house for sale in September, 1981. That is the sort of case the minister could respond to without any reference to federal policy, or Mr. MacEachen, or that malarkey.

He has already shown that he can subsidize in order to get the people into his \$60 million development in Townsend, where I think there may be 25 or 26 people living—36, pardon me, I am corrected—by subsidizing each one \$4,000 per year.

Hon. Mr. Bennett: Mr. Speaker, the case of Townsend and the offering of mortgages to the development industries, which would be transferred on to the new home owners, is not dissimilar to what happens in the rest of the private mortgaging field. When I spoke here Tuesday during the emergency debate, I indicated very clearly that most contractors in this province, in new structures, have either secured financing at an early stage—and that is exactly what happened in Townsend. The financing

was secured by the contractors by the end of June this year. That is why they got in on a more favourable rate.

10:50 a.m.

Mr. Nixon: You've got a \$3 million shopping centre.

Hon. Mr. Bennett: Mr. Speaker, I said on Monday—I beg your pardon?

Mr. Peterson: You spent all your money.

Hon. Mr. Bennett: I would suggest, Mr. Speaker, that is not parliamentary.

Mr. Speaker: Order. The minister is responding to a question from the member for Brant-Oxford-Norfolk (Mr. Nixon). Will he please continue or has he answered the question?

Hon. Mr. Bennett: Very simply, Mr. Speaker, this government has offered in Townsend some interest rates—

Mr. Peterson: Where did you find 14 to 15 per cent in June?

Mr. Speaker: Order.

Hon. Mr. Bennett: Mr. Speaker, I would suggest to the member for London Centre (Mr. Peterson) that if he wants to run his campaign from this floor that is fine. But if he looks in his own local newspaper—

Mr. Peterson: You've lost any chances you ever had. You're so inadequate.

Mr. Speaker: Just ignore the interjections.

Hon. Mr. Bennett: It is very difficult, but I will try Mr. Speaker, because their content is about as worthy as the answer I will give them—which is zip.

I am sure, as I said on Tuesday, if one looks around—

Interjections.

Mr. Speaker: New question. The member for Ottawa Centre (Mr. Cassidy). Order.

Mr. Cassidy: Final supplementary, Mr. Speaker.

Mr. Speaker: That was the final supplementary.

Mr. Cassidy: I am sorry, Mr. Speaker, but unless you have changed the pattern, we normally get a final supplementary on this side. There have been two questions from me and one from the official opposition.

Mr. Speaker: That is right.

Mr. Cassidy: Is that a new policy, Mr. Speaker?

Mr. Speaker: No, it is not a new policy. I have always allowed the questioner one supplement-

tary, come back to the other party and then to another member of the original questioner's party.

Interjections.

Mr. Speaker: Order. New question.

Mr. Cassidy: Mr. Speaker, on the point of order, I am quite prepared to ask a new question now, but on the point of order—

Mr. Speaker: There is no point of order. Supplementaries are at the discretion of the Speaker.

Mr. Cassidy: May I ask, Mr. Speaker, who was the member of our party who asked another supplementary after the member for Brant-Oxford-Norfolk?

Mr. Speaker: Nobody.

Mr. Cassidy: Nobody?

Mr. Speaker: Right. But you already had a supplementary. I am not going to argue with you. Do you have a new question? If not, we will proceed.

Mr. Cassidy: I have a new question, Mr. Speaker.

RENT CONTROL

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations, if he would like to resume his seat. Now that the minister has had three and one half months to ponder the future of rent review and three and one half months to make a number of contradictory statements as to whether he intends to make any changes or to bring the rent increases up to what he has termed a more realistic level, would he tell the House what that more realistic level might be and how in any way that could benefit the tenants who are not protected by rent review?

Hon. Mr. Walker: Mr. Speaker, there have been a number of representations made in respect of any increase. Indeed, there have been representations made both by those who reflect the views of tenants and those who reflect the views of landlords. I have to say that no decision has been made.

Mr. Cassidy: Supplementary: If the minister says no decision has been made, that means he is contemplating a change in the levels of rent review or he is contemplating abandonment of the rent review that was brought into this province in 1975, which the Premier said during the election campaign would remain in force in Ontario as long as he was Premier. Would the minister explain exactly what he is contemplat-

ing changing? Does he, therefore, intend to listen favourably to such people as the landlords on Dundonald Street, who have applied for increases of 25 per cent to 46 per cent in rents in the units they happen to hold? Is that what the minister is contemplating, or is it his intention to maintain rent review the way the Premier said back in the election campaign?

Hon. Mr. Walker: The Premier's commitment stands. The rent review process will be maintained; there is no change in that. We would have to go back some six or eight months ago to repeat the statements of that time. There is absolutely no change whatsoever. That is in spite of the fact the NDP housing critic, the member for Etobicoke (Mr. Philip), said the ceiling on rent increases may be a little low. We appreciate he might have said that at one time back in March, and we recognize he is housing critic and made those representations and they were not retracted, so we take that representation as being a valid consideration as well.

Mr. Philip: A supplementary: The minister obviously does not listen very well in this House. It was pointed out to him before that at no time did I ever say we would change the base. Since the minister has indicated publicly that he feels the base should be raised because of the high interest rates, is he aware that in every case to go before the review board that has been reported to date in Metropolitan Toronto by the Federation of Metro Tenants' Associations and by any MPP who has been acting on behalf of tenants, where an apartment has been refinanced because of a resale, sale or a second mortgage coming due, the average rent increase being sought, because of high interest rates, is between 20 per cent and 40 per cent? How can the minister justify raising the base on the grounds of high interest rates unless he is talking about the 20 to 40 per cent and those people are going before rent review anyway?

Hon. Mr. Walker: The member should not get up here and start making such outlandish statements as that. It is a little bit ridiculous to come in here and frighten people the way the member for Etobicoke is doing. There are just no grounds at all for him to be saying that kind of thing. He himself knows that any person who owns property could go before the Residential Tenancy Commission—as opposed to the rent review board—and they could ask for a 6,000 per cent increase. That is not to say it would be granted. It is likely there would be something far less than that and probably far closer to the six per cent ceiling.

In fact, by the process we have, when they go before the Residential Tenancy Commission, the commission makes the decision based on the facts before them and the cost pass-through process. That is the way it is. One is not going to come up with the kind of figures he is talking about, although there may be exceptional cases where that might happen, if there were some kind of new mortgage that were brought on. Mortgage rates these days are in the 20 per cent, 23 per cent range, so obviously there might be the odd occasion when that would happen.

The average granted by the Residential Tenancy Commission for the past year—and members will have a chance to see that in their annual report—will be something in the range of 11.5 per cent. That is what they have granted on average over the past year for the individual cases before them. To suggest, as he is, any percentage like that is just ludicrous.

Further, while the member may try to change his position—and I can appreciate there are certain colours that may want to be changed here in certain species of people—the fact of the matter is that on the date of March 14, 1981—that was during the election process, the member might have been a little flexible perhaps back then—the NDP housing critic was quoted in the *Toronto Star* as having said, “The six per cent ceiling on rent increases may be a little low,” said Ed Philip, MPP for Etobicoke riding and the NDP housing critic.”

Mr. Philip: A point of privilege, Mr. Speaker, as I pointed out to the minister before, I further stated at that time we would not change it in the foreseeable future, particularly—

Mr. Speaker: That is not a point of privilege.

ONTARIO ECONOMIC COUNCIL

Mr. Peterson: A question to the Premier, Mr. Speaker. In view of the foment from various agriculture, labour and academic groups about the potential dismemberment or destruction of the Ontario Economic Council—and I understand representations of the Treasurer who wants to get rid of that independent body—could we have the Premier's assurances that body will remain intact as a centre of independent research for the province, the only one that does Ontario-based research of this type?

Mr. Martel: It is still subversive. Remember John Smith? I think that is probably why you wanted to get rid of them.

Mr. Speaker: Order.

Hon. Mr. Davis: They really are interrupting, Mr. Speaker, because I was ready to give a very simple, straightforward, clear answer.

Mr. Martel: That would be new.

Mr. T. P. Reid: That would be a first.

Hon. Mr. Davis: Yes. In fact, I think the Treasurer has already said so.

11 a.m.

IRWIN TOY DISPUTE

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Labour. The Irwin Toy Company's refusal to engage in genuine collective bargaining with its employees has resulted in another bitter and long-drawn-out first-contract strike, similar to those at Fleck, Radio Shack, Blue Cross and Fotomat. In view of this and of the fact that many of the workers are low-paid women with family responsibilities, putting their jobs on the line in an effort to improve their starvation wages and appalling working conditions, will the minister end this scandalous denial of workers' democratic rights by bringing in first-contract legislation and anti-strike-breaking legislation this session?

Hon. Mr. Elgie: Mr. Speaker, just so the House has a better appreciation of that strike, which I admit has been going on for a long time and which is for us, as for the member, a troublesome strike, let us understand that there have been no accusations or charges made before the labour relations board of any unfair labour practice. So the member's initial comment was really inappropriate. If there is solid and sound evidence of unfair labour practice going on, the mechanism is there to deal with it.

The member also knows full well that, about two weeks ago, I appointed a disputes advisory committee to try to help the parties resolve the issues that are keeping them apart. They are now in the process of doing that, and I think we should let that process work.

Mr. Mackenzie: Supplementary, Mr. Speaker: I am wondering if the minister is aware that the young women on the morning picket lines at Irwin Toy have been told by one of the Irwins and by various management personnel on an ongoing basis there will be no union in that plant. It seems to me this is in spite of the fact they have been certified under the Ontario Labour Relations Act.

Does the minister not consider this rather contemptible management action a denial of the rights that are guaranteed to workers when they are finally able to achieve certification,

which is not always easy? Does he not think this is literally thumbing their noses at the laws of the province? Does he not think such flagrant action as this makes a clear case for first-contract legislation, where it is obvious that the problem is not the negotiation of a contract, but a determination that there will not be a union in that plant?

Hon. Mr. Elgie: Mr. Speaker, again, so that the House clearly understands the legislation relating to first-contract arbitration the members are referring to, in those few provinces that have such legislation there must be a prior finding of an unfair labour practice before that section can be invoked. Quite frankly and quite honestly, I believe we now have legislation in this province that is equal to or superior to that. If there is an unfair labour practice taking place and proven before the labour relations board, the member knows very well that board has issued certain directions in the past which have led to the correction of the situation. Frankly, I think he is really asking for something the board now has the power to do.

Ms. Copps: Supplementary, Mr. Speaker: How can the minister say this is progressive labour legislation when he knows full well that in the last sitting of the Legislature, with the help of the NDP, he passed legislation that, in effect, would allow scabs the right to vote on first-contract negotiations?

Hon. Mr. Elgie: Oh, Mr. Speaker, I think the member should review the debate very carefully before she says that. She knows very well if there is any dispute as to who is to vote and who has the right to vote under the then section 34(e), those ballots will be segregated and a decision will be made based upon whether there was a right to vote.

AUSTRALIAN TRADE MISSION

Mr. Nixon: Mr. Speaker, I would like to direct a question to the Minister of Industry and Tourism, the minister who did not want to campaign against Mr. Coutts. As one of the leaders of the trade delegation to Australia, is he responsible for the information which led the Premier's office to announce \$100 million in contracts and new business, presumably on the basis of the Premier's presence in the antipodes, which was responded to by Gerry Sutter, a spokesman for General Motors—which was said to have shared a \$30.7 million contract to send Titan trucks to Australia—with the quote, “We have already completed delivery;” or by

Scott Lincoln, a spokesman for de Havilland Aircraft of Canada—mentioned as having secured \$37.6 million in options on eight Dash-8s—who said, “We announced our deal in Paris in June;” or by Mark Sully, with the international sales division of Champion Road Machinery of Goderich, who said, “We have been doing business with the Australians for 15 years”?

Since the Premier was vacationing in Fiji at the time that press release came out from his office, will the minister accept responsibility for the incorrect information and the attempt to make this junket to Australia look like something useful?

Hon. Mr. Grossman: Mr. Speaker, while the member was no doubt meeting with Mr. Coutts back here in some luxury to sort out his career and perhaps, for all I know, in the same discussion Mr. Coutts was trying to sort out the future career of the member's leader, the Premier, a group of businessmen and myself were working very long days in Australia and New Zealand.

In point of fact, we worked so many long hard days—including in one case a 14-hour travel day from New Zealand to Perth, Australia—that, against our wishes but on our doctor's advice, we had to recuperate for a couple of days before we returned to this country, in fairness to the taxpayers who expected some good judgement from us, which they always get, when we got back here.

May I say, to correct the record, that in New Zealand and Australia the information collected and reported back here was on the basis of an analysis done by us at the end of a particularly long series of meetings when many questions were asked about current business, about business to date and about expected new contracts to be entered into as a result of that visit. I must tell the member the \$100-million figure was a rather modest figure selected to make sure we would not come back here and be accused by the member and others of inflating the figures.

We took an estimate given to us by the people on the mission, all of whom were selected because they have a tradition of doing business in Australia and New Zealand; an estimate of current business, of business they will be doing as a result of this mission and future business. We wrote those figures down very substantially.

I think if the member checks back, and feels free to ask six months from today in this House what the actual figures will prove to be, he will find they will be far in excess of \$100 million. It

was a rather modest, written-down figure estimating all the business in progress, the business coming out of that specific mission and the offshoot business that would come in that part of the world as a result of factors one and two. Quite seriously, I think the member will find it is an understated figure and the firms will be in a position to confirm that to him several months from today.

Mr. Nixon: Since the minister transferred his assistant, Jerry Gautreau, the person who got together this compendium of impressive sales and new business, has he had him transferred to Foster Advertising, which is obviously where he should be working?

Hon. Mr. Grossman: No, he has gone to work for Dan Heap.

Mr. Nixon: They all voted for Dan. They took your lead; they all said there must something about Laura Sabia they didn't know.

Interjections.

Hon. Mr. Grossman: No, no, guys; even the hardworking, precise Mr. Gautreau could not have helped Mr. Coutts in that election. Indeed I hope he would not have, because I was working, as were so many of my colleagues, very hard for Mrs. Sabia, who no doubt will win Spadina riding in the next federal election.

11:10 a.m.

I want to be serious, because Mr. Gautreau happens to be a very efficient, meticulous, hardworking civil servant, a civil servant I am particularly proud of, who has done very well in his current job. He had a very difficult responsibility because he was dealing with information sent back by us from 10,000 miles away.

Mr. Smith: Oh, that explains it.

Mr. T. P. Reid: So you can't blame him.

Hon. Mr. Grossman: Listen, I never blame my civil servants. Unlike the Leader of the Opposition, who blames riding presidents, organizers, advisers, people working in his office and his caucus, I take responsibility for what we do. I sent the figures back and it is not Mr. Gautreau's fault.

Mr. Speaker: A new question, the member for Sudbury East.

Mr. Martel: That tells you why the minister needed a \$140,000 campaign. No, you don't blame your civil servants.

Mr. Speaker: I trust you do have a question. If not, let somebody else ask one.

SEVERANCE PAY

Mr. Martel: I have a question for the Minister of Labour regarding National Steel Corporation. How can the minister continue to deny severance pay benefits to the employees of National Steel when at the time they were laid off, the company stated, "It is only fair to say that the current projections of iron ore demand indicate this property may be idle for perhaps up to four years"?

In view of the fact that the company continued to pay into the pension plan up until January 19, 1981, and it was only on January 19 that the company notified the union to this effect, "This letter is to advise you that the shutdown should now be considered a permanent shutdown," what kind of evidence is it going to take to force the minister to force that company to pay severance benefits to employees who were laid off and the layoff became finalized only after the legislation took effect?

Hon. Mr. Elgie: Mr. Speaker, it is not a matter of what anyone can force me to do or not do, it is a matter of what is in the law and what it means. As I have written to the member for Sudbury East on two or three occasions now, it is clear to our legal staff that after January 1979 there were no longer any employees.

There was the possibility of a mine reopening, but there were no employees at the time the severance pay legislation came into effect in its retroactive way as of January 1980. It is the conclusion of our counsel after a repeated review of the problem that the legislation does not apply to that particular group of workers.

Mr. Martel: If the fact that this became a permanent shutdown did not occur until after the legislation took effect, then in reality these people were just laid off. Because the termination only became permanent in this new year and the legislation took effect on the first of the new year with respect to permanency, should they not be entitled to benefits? Why not?

Hon. Mr. Elgie: I really do not think there is any point in getting down to what I may or may not wish for those particular employees. We are bound by what the law says and by the interpretation of that law. I know there are some who would like to go ahead and do whatever they wish, but unfortunately when one has to be accountable one has to live up to what the law says. My legal counsel have gone over it and they assure me that as of January 1980 those workers were not considered employees. Their employment had been indefinitely terminated.

Had the plant reopened, the situation would have been different. It is not a matter of anybody trying to say it would not be nice if it could happen, but that is just not the fact.

Mr. Cooke: Supplementary, Mr. Speaker: I would like to ask the minister why in this particular case he defines an indefinite layoff as a permanent layoff to eliminate these workers from getting severance pay, yet the other day when I raised the question of the 1,500 Chrysler workers an indefinite layoff was considered to be a temporary layoff and therefore they do not qualify for adequate notice?

Hon. Mr. Elgie: Mr. Speaker, I know the particular member is not in the campaign for leadership, but he still persists in using these derogatory phrases like why do I do these things. I do not do these things. I comply with the law and I think it might be a habit the member should get used to, complying with what certain regulations and laws mean. That is all we are doing. Let me tell the member, it is not a matter of any minister or this government wishing to do or not to do anything; it is a matter of what the law says and it has been clearly interpreted in those ways.

LIQUOR LICENSING

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations regarding laws for the rich and laws for the poor. I would like to ask the minister why an exceptional drinking permit was granted to a group known as Les Musts de Cartier. This was a ball held for approximately 600 of what have been described as Toronto's elite at the Harbour Castle Hilton last Wednesday night. This special permit allowed the bar to stay open until 2 a.m. instead of 1 a.m., when it would normally close in good old Ontario

In the light of the fact that the gentleman in charge of the Liquor Licence Board of Ontario, Mr. Willis Blair, said the licence was granted because Cartier Incorporated had their plans laid out months in advance; taking that into consideration, would the minister be able to explain what reasonable reason could be advanced for allowing this special, wealthy, influential group to have this kind of permit when thousands upon thousands of average people in Ontario are denied the same privilege?

Hon Mr. Walker: Mr. Speaker, that is very

nice; a special law for the rich. This is the exception I think the member is referring to, an exceptional law for the rich but not for the poor.

Mr. Bradley: I am saying you are making an exception for the rich.

Hon. Mr. Walker: Do I hear the member saying we are making special exceptions for the rich? Well, here is an interesting case. First of all, it was a licence extension and so the Harbour Castle, which would normally have closed that lounge at one o'clock was allowed to go until two o'clock. Section 38 of the liquor licence regulations gives the board the authority to extend the hours of operation past 1 a.m. for an event of municipal, provincial, federal or international significance.

At least we have the law on our side. The people at the board made the decision to grant it. Why did they do it? Because this was a charity. It certainly was for a good cause. It is a nonprofit operation that was there. This particular operation was the Young People's Theatre of Toronto and this was an international event that had celebrities from international bases and it was a fund-raising event, the proceeds of which would go to this particular good cause, the Young People's Theatre.

It has been done before—

Mr. Bradley: But not very often.

Hon. Mr. Walker: That is true, but exceptions are made.

Mr. Bradley: Three times.

Hon. Mr. Walker: An interesting thing about exceptions being made, now the member would suggest that the exceptions are made for the rich—I think he said a special law for the rich and not for the poor.

Mr. Bradley: It has that connotation.

Hon. Mr. Walker: The last exception I can remember being made was for the St. Catharines Liberal Association.

Hon. Mr. Grossman: The underprivileged.

Mr. Gillies: They were poor in spirit.

Mr. Speaker: Order.

Hon. Mr. Walker: This particular rich association was having another one of its fund-raising functions. Was it for fund raising? In continuing our exceptions for the rich, the Liberal association of St. Catharines at the behest of its individual member, in this case the member for St. Catharines, intervened during the month of August 1981 and asked if there could be an exception made to our rule.

We have this rule, as it involves special

occasion permits. This was the Henley Rowing Club, which had been called up on the carpet for a special problem and they were in the midst of a hearing. During these hearings it is just not so that any permission is granted for any particular club. In this case a special exemption was given to the St. Catharines Liberal Association at the behest of the member. They seemed to have good cause, they seemed to have good reason.

11:20 a.m.

I can appreciate there are times when exemptions should be made and I tend to think this was the opportunity. I am certainly prepared to support the member in the interest he has expressed.

Mr. Speaker: The member for Brantford has a supplementary. Does the member for St. Catharines have a supplementary?

Mr. Bradley: Yes. I will rise on a question of privilege in a minute, because the minister has completely distorted the matter. All he has done is to take an instance—

Mr. Speaker: The member does have a question?

Mr. Bradley: Yes, my supplementary question to the minister is—

Hon. Mr. Grossman: Why did I ask that question?

Mr. Bradley: My question is not, why did the taxpayers have to subsidize the campaign of the Minister of Industry and Tourism to the tune of almost \$100,000 through the tax credit system. That is not my supplementary question.

My supplementary question is, in terms of the law whereby there is a 1 a.m. or a 2 a.m. closing, whatever we want to call it, why does the minister not make one set law and leave it at that? There are many charities that would have been equally as deserving as this particular charity.

Hon. Mr. Walker: I would certainly be pleased to hear any submissions made, if the honourable member would like to take up a charitable cause. I admit his own riding association was not a charity so it fell beyond the normal exemption rules, but in this case, when they do make exceptions from time to time, I think it makes the law more humane. Is the member advocating a 2 a.m. closing? If we were to accept what the member is suggesting, that maybe there should be a 2 a.m. closing, I

suppose the St. Catharines Liberal Association might come along and want to have a 3 a.m. closing some day.

Mr. Speaker: The time for oral questions has expired.

Mr. Bradley: A question of privilege, Mr. Speaker.

Mr. Speaker: A point of privilege?

Mr. Bradley: A point of privilege, sorry. The minister, in an attempt to avoid this question, has made reference to a situation that exists in the city of St. Catharines, which I think he is not going to be very happy with by the time I finish bringing this up. This is the situation, and I think it bears a pretty detailed explanation because the minister has gone on at some length. The Henley Island alumni association—

Mr. Speaker: Can the member identify his point of privilege, please?

Mr. Bradley: Yes, my point of privilege is that the minister is distorting the facts and my privileges have been abused as a result. I think, in all fairness, I should be permitted to clarify the situation, because the minister has given an impression that is clearly not correct. I do not want to use the word "misleading."

Mr. Speaker: With all respect, the member's personal privileges have not been abused.

Mr. Bradley: Yes they have, Mr. Speaker, because he has made this accusation to the member for St. Catharines.

Mr. Smith: We never hear two sides of any story. He is allowed to make a statement, but we cannot answer.

Mr. Speaker: Order. The member's personal privileges have not been abused.

Mr. Bradley: The minister has made an accusation, an insinuation, Mr. Speaker.

Mr. Speaker: Let us hear it then and we will see.

Mr. Bradley: What happened was the Henley Island alumni association had a problem right near the end of May during the Canadian Schoolboy Regatta. As a result, a report went in to the Liquor Licence Board of Ontario concerning this problem that existed at the end of May. There was considerable delay by the liquor board as to when any action would be taken against the alumni association.

This delay, of course, permitted the St. Catharines Progressive Conservative Association in late July to hold an event at Henley Island without any interference from the liquor board.

However, when the St. Catharines Liberal Association was to hold an event, all of a sudden the board found it convenient, or at least found it reasonable, at that time to start cracking down on the licences.

Along with other groups that were experiencing problems with the liquor licensing board at Henley Island at that time, even though there was not a hearing held, the St. Catharines Liberal Association was permitted—as were other groups, not just the provincial Liberal association—to have the special occasion permits, which were normal for the alumni association, because they said that after August 27, or something of that nature, they were not prepared to grant these permits; interestingly enough, after August 27.

So the minister is attempting to insinuate, first of all, that the St. Catharines provincial Liberal association somehow had an extension of hours, which is not accurate, and second that somehow they were given special privileges because the member intervened. I do not know whether that is accurate or not, because there was great assistance rendered by the other members in the area. The member for Lincoln (Mr. Andrewes) was kind enough to act on behalf of the alumni association to ensure that events were allowed to proceed; I believe the office of the Minister of Energy (Mr. Welch) was kind enough to act on behalf of the alumni association to ensure that events were to proceed.

So, Mr. Speaker, the minister has attempted to drag in something that is entirely different and apply it to a question that is embarrassing to him.

Mr. Speaker: Order. That was a very interesting chronological report of the events, but I fail to see that your privileges were abused.

Mr. Nixon: Mr. Speaker, on a point of order: It may have escaped your attention, sir, since you are responding as you are, that the minister said a special request was granted to extend the drinking until two o'clock, as there was in the other case down at the Harbour Castle raised by my colleague. My colleague has said there was not an extension to two o'clock. If you do not think he was interfered with by the minister's statement I must take issue with you.

Mr. Speaker: That was not the point; the point was whether his privileges were abused.

Interjections.

Mr. Speaker: Order. Order. I would perhaps

ask the members to make themselves familiar with the standing orders. Ministers may reply in any way—

Mr. T. P. Reid: You cannot mislead the House, whether intentionally or inadvertently.

Mr. Speaker: Are you suggesting—

Mr. Philip: The minister misled the House.

Mr. Smith: On a point of order: I ask to be guided by you, Mr. Speaker. If a minister, in the discretion—admittedly a fairly wide discretion—that is granted him in answering a question, says something that is factually inaccurate and furthermore casts aspersions on members of the opposition, in what conceivable forum and by what conceivable means under the standing orders can a member of the opposition rise to set the record straight except by rising on a point of privilege?

Mr. Nixon: As soon as possible.

Mr. Speaker: Well, why not?

Mr. Smith: He has done so.

Mr. Speaker: Right. But he corrected the record; that is all I am saying.

[Later.]

Mr. Bradley: On a point of privilege, Mr. Speaker: In view of the previous incident we just had with the minister attempting to insinuate one thing which was totally inaccurate, I would like to ask that you ask the minister to withdraw the statement that there was any extension of hours for the St. Catharines Liberal Association in regard to a liquor licence.

Mr. Speaker: I would ask the member to allow me the opportunity of checking with Hansard to see what was actually said. I would suggest to the member for St. Catharines that he, indeed, did an adequate job in correcting the record, which I think was the whole purpose of rising on the point of privilege as he did. However, I will check Hansard and have a decision for you early next week.

Mr. Stokes: Mr. Speaker, if I might speak to the point of privilege, I am sure that you want to continue the practice of having the person who made the allegation correct the record rather than somebody else who was not responsible for the statement. It has been the past practice that if it has been proven or shown that any honourable member did put something on the record that was not in keeping with the facts, all honourable members would want to correct it themselves.

Mr. Speaker: Thank you; and that is the point of checking Hansard and getting back early next week.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that Mr. Cureatz be deleted from the order of precedence for private members' public business and that all members of the Progressive Conservative caucus listed thereafter be advanced by one place in their turn, and that notwithstanding standing order 64(d) Mr. Rotenberg and Mr. Jones exchange positions in the order of precedence for private members' public business.

Motion agreed to.

11:30 a.m.

ORDERS OF THE DAY

LIVESTOCK COMMUNITY SALES AMENDMENT ACT

Hon. Mr. Henderson moved second reading of Bill 100, An Act to amend the Livestock Community Sales Act.

Hon. Mr. Henderson: Mr. Speaker, the main purpose of this bill is to permit livestock co-operatives to hold six feeder cattle sales per year that are exempt from the Livestock Community Sales Act. This will provide immediate benefit to the marketing of feeder cattle this fall, and, needless to say, these are difficult financial times for beef cattle producers.

Producer co-operative cattle sales were initiated in northern Ontario in the mid 1950s and have contributed greatly to the economic wellbeing of beef cow-calf producers. There are presently seven co-operatives holding sales, located as follows: Wiarton has held four and will need another one; last year they sold 14,403 head; Thessalon in Algoma, one sale, 1,969 head; South River, Parry Sound, held three sales, 1,853 head; Rainy River, Stratton, one sale, 3,309 head; New Liskeard, one sale, 1,400 head; Manitoulin, one sale, 3,361 head; and eastern Ontario, one sale, 560 head.

In 1980, seven co-operatives sold a total of 26,860 head of cattle. Unfortunately, last year the Wiarton sale had to turn away approximately 3,000 head of cattle as it was impossible to handle them at the four sales that are permitted at present.

The bill also provides for removal of section 9; which by the way is now section 15, if members have the new updated bill, but it was

section 9 in the old bill. There is already authority in the act to make regulations in this regard, and there is currently a regulation which duplicates the contents of the section being removed. Bearing in mind that improvements are constantly occurring in cleaning and disinfecting methods, it is important for the administrative purpose to respond to these changes and this can be done much more readily by regulation. In summary, the changes are quite straightforward and are designed to facilitate the efficient marketing of livestock in the province.

Mr. Speaker: Before any other member speaks, I would just like to draw the attention of the members to standing order 55 as a reminder that a reply is allowed to the minister or to the parliamentary assistant, whichever the case may be, who has moved second or third reading of a bill, after all members wishing to speak to the motion and any amendments thereto have spoken, and the Speaker shall inform the House that the reply closes the debate.

Mr. Riddell: Mr. Speaker, we in the Liberal Party are supporting this amendment to the Livestock Community Sales Act as we recognize the assets of the northern Ontario livestock sales, not only to that part of Ontario but also to the beef industry in general.

It certainly does give our producers throughout Ontario a chance to go to these sales and procure the livestock they require to fill the feedlot operations they have constructed in the more southerly and easterly portions of Ontario. It saves them from having to go out west to buy all their cattle and to suffer some of the consequences associated with shipping fever and some of the other diseases these cattle seem to pick up on the route down from western Canada.

It is an industry we are proud to have retained in Ontario; one has to admit, of course, that some of the cattle sold in these northern Ontario sales no doubt originated in the west, but a lot of the cattle are produced in northern Ontario. This is the place where I feel we should see the cow-calf operations, where they cannot grow such cash crops as we can in southern Ontario where we depend on forage. I would like to see more cow-calf operations established in those parts of Ontario, but the price has to be right for those producers to be able to do that.

Certainly, if the northern Ontario sales were not able to handle the numbers of cattle produced in that part of Ontario, then it is only logical that we should be extending the number of days in which they can hold sales to move the

cattle and give those producers from other parts of Ontario a chance to go up and bid on those cattle.

Unfortunately, I understand, many of these cattle are being moved to Quebec. It certainly has to be some indication that there is greater incentive for the Quebec producers to produce cattle than there is here in Ontario. But this gets into another matter and we have been dealing with that a bit in estimates. I am sure we are going to be raising it from time to time in this Legislature.

Some of the community sales no doubt had some reservations about extending the number of days northern Ontario sales can operate, as I am sure some of these community sales used to pick up the overflow cattle. I cannot think that any of the sales down in the part of the country I represent are all that seriously affected because, even though they hold stocker sales, they are able to pick up most of the cattle within a few miles of the location of that particular community sale.

In northern Ontario, I assume some of the overflow cattle from these northern Ontario sales went to other community sales such as Keady Livestock Market and, of course, it was a source of revenue for the owners and operators of the Keady sale.

Still and all, I am convinced most of these community sales do get these cattle moving through their operations at some time, whether they are calves coming down from the west and being sold out to these northern Ontario people who are going to raise them as stockers, or whether it is a case of taking the fat cattle back out of the feedlots and marketing them as fat cattle.

I would think the community sales would want to be a little careful about objecting to an extension of time for these northern Ontario sales to move the stocker calves and cattle that they have in that area, whether they are cattle they have raised themselves or whether they are cattle that originated in the west and simply were fed in northern Ontario and then sold to the operator who is eventually going to fatten them.

11:40 a.m.

The other part of the bill deals with the deletion of cleanup and sanitation provisions from the act. The minister mentioned the reason for this was that we have made some technological advancements in spraying et cetera to get rid of any disease and that any cleanup is going to now be established by regulation. I am

sure a lot of the community sales operators would like to know what these regulations might be.

At the present time they have to clean and disinfect 12 hours before they can hold another sale or before they are allowed to bring livestock into that sale. With the change the minister is making, he is going to establish it by regulation. Does this mean that a community sale could hold two consecutive days of sale and then clean up after the second day, or could it hold three consecutive days of sales and then clean up after the third day? I am sure they would like to know what they are expected to do.

I do not fully understand the information that was provided with the bill. I simply want to quote: "The act requires the operators of livestock community sales to clean and disinfect the premises 12 hours before any livestock are received as set out by legislation." We know that this has been the normal custom. "The practical effect of this requirement has been to prohibit the use of the sale facilities on two consecutive days, which essentially limits routine licence sale operation to two days a week."

I know they have not been able to sell on two consecutive days, but I do not see where the minister gets this fact that they are limited to two sale days a week. If they held the sale on Monday, they would have to clean up on Tuesday. They can hold a sale on Wednesday, and they would have to clean up on Thursday and they could hold a sale on Friday.

Why does it limit the sale days to two days a week, as suggested? The minister will have a chance to reply after the other members speak, but I simply fail to understand why he thinks community sale operators are now restricted to two days a week of sales when I can see that under the present legislation they can have three sales a week.

I would like the minister to elaborate on the type of regulations he is looking at in connection with the newer technology for cleaning and disinfecting the premises. If a sale barn operator decides he wants to hold a two-day sale or even a three-day sale with the idea that they can clean up after that sale is over, is he going to be permitted to do so under the regulations?

These are just some of the things that came to my mind when I was reading this bill and the information the minister so kindly provided along with the bill. I am sure I am also speaking on behalf of many of the community sale operators who would like to know what the

minister has in mind as far as the cleanup and the disinfection of their premises is concerned before they can have another sale.

Mr. MacDonald: Mr. Speaker, we also shall support this bill on second reading. It is essentially a housekeeping bill.

Some of us during the current consideration of the estimates have been reflecting the growing view across the province that the Ministry of Agriculture and Food has been drifting increasingly throughout the past decade, and on occasion events sort of catch up and pass them by, so that their procedures and statutes are out of date and tend to frustrate rather than facilitate the objectives of the act as originally spelled out. I think this is a classic example.

The limitation of four sales up in the north for reasons that have been spelled out by the member for Huron-Middlesex, which reasons I shall not repeat, obviously indicated there was need for some measure of relief and flexibility with regard to that four sales limitation; so it was taken to six.

I do not know, any more than the last honourable member, who has taken his seat, exactly what they have in mind but, in terms of the new regulations for cleaning and disinfecting premises, once again events have just popped up and passed by the statute. Conceivably, those events took place five years ago. Who knows exactly when they took place? Somewhat belatedly, we are now bringing our statute in conformity with modern practices, which make it possible for cleaning and disinfecting in a fashion so that one does not have to give this 12-hour period the original statute spelled out.

I repeat, this is a housekeeping bill, bringing the legislation into the current day, if not the modern day, and the sooner we do it the better. Therefore, we support it.

Mr. McKessock: Mr. Speaker, I rise to support Bill 100, which will change the northern feeder sales or co-operative corporations' sales from four to six sales a year. I am not sure I agree totally with the member who just spoke, saying this amendment is just making the act conform with modern-day practices, but I will get into that.

Mr. MacDonald: Modern-day needs.

Mr. McKessock: Or modern-day needs; I am still not entirely convinced about that. However, I am supporting the bill.

I want to say what a great contribution these sales have made to the farmers since they were started some time ago. Prior to that, we had a lot

of farmers who were at the mercy of buyers who would go around from farm to farm: farm buyers, or one might even call them scalpers at times.

In the fall there are a large number of cattle for sale. These buyers would go around, and the farmer did not have a great choice of buyers to sell his cattle to at that time. A buyer would enter his farm, say he had bought cattle from his neighbour at a certain price and convince the farmer to sell to him too. If the farmer was not sure of the price of cattle, he would often sell below the real market price.

Once these sales were brought into effect, specifically for that reason, the farmers could take their cattle there in the fall and receive competitive prices. The cattle were sold by auction and they got the top dollar as a result of these buyers bidding against one another, and this was good.

One of my concerns with this amendment is that it will cut into community auction sale revenues. When it was set up, it was agreed by the community auction people involved that four sales a year would be granted to the co-operative corporations. I know the reason behind extending this to six sales is that every sale is overfilled—they are in Wiarton, which is close to our farm—and they cannot accommodate all the farmers who want to put cattle into the sales; so it seems necessary that they have the right to a couple of more sales.

However, I think the government should take a good look at this before it makes any further amendments to the act. If these sales were too great in number and too many cattle were taken away from the community auction people, who are giving the farmers of the area weekly service, they could be put in jeopardy. They have to run a viable operation as well, and the benefits derived from these sales by the farmers on an ongoing basis are valuable.

11:50 a.m.

I am not sure the repealing of section 9 is a good idea. Twelve hours does not seem like an unrealistic time for a sales barn to be cleaned up and sit idle. I spent many years in the veal calf business, and I realize how important it is to clean and disinfect barns before animals enter the premises.

I myself use high-pressure, powered equipment to clean the barns, and I always like to have the barn sitting idle for 12 hours after cleaning before new animals come in, because the drying process after cleaning is part of the germ eradication. Did the minister contact the

veterinary services branch at his ministry before making the decision to repeal this section of the act and, if so, what was the response of the veterinary services branch?

Mr. Wildman: Mr. Speaker, I do not intend to speak at length. I just want to reiterate the comments made by others of the important service that community sales provide for the cow-calf producers in northern Ontario.

I agree, especially in terms of the Wiarton sale, that the numbers of cattle being brought in have made it difficult to accommodate all the producers. I agree that there is a need to expand the possible number of sales days open to them.

I disagree somewhat with the member for Grey (Mr. McKessock). At the annual Algoma community sale at Thessalon, many of the producers in our area would have a very difficult time in getting their cattle to market if they did not have the option of a local sale. In our area, we do not have the kinds of community auctions they have in southern Ontario, and there is a need for this kind of service.

I agree with the comments of the member for Huron-Middlesex (Mr. Riddell) about some of the difficulties, especially in the last couple of years, that cow-calf producers have faced because of the pressures on the buyers and, as a result, the downward pressure on prices at the community sales.

The fact that a good portion of the cattle appear to be going to Quebec indicates that there may be significant advantages for producers in Quebec which would make it possible for them to pay a higher price and would make it difficult for the industry to continue on an even keel in Ontario. I hope that in another context the minister will be prepared to take action. If and when that happens, perhaps we will see a more vibrant beef industry in this province.

Again, I want to reiterate that I support the bill and the whole concept of co-operative sales for the producers in northern Ontario.

Hon. Mr. Henderson: Mr. Speaker, I will respond first by saying that regulations are now in place. If I might just read one section of the regulations that were put into effect, regulation 568 as amended by regulation 316 of 1972:

"Every operator shall, at least 12 hours before any livestock is received on his premises for the purpose of community sales, remove manure and refuse from and clean the premises for his community sale yard and use a disinfectant on the premises. After the removal of manure and refuse therefrom and after the cleaning thereof"—and it goes on.

That is in place. We do not plan on changing that at this moment.

I have a note here from the director of the veterinary services branch of my ministry. That branch helped to draft the legislation; so I think that is as much consultation as one could have. This is the note he has just sent me; he is here under the gallery:

"We are considering changes in respect of time limits for cleaning and disinfecting. We will be considering at some time present limits on licensing community sales—holding two sales per week. We will also consider the possibility of holding sales on consecutive days. But we do not intend to take steps that will increase health hazards to the livestock." So we are still protecting it, but we are going to try to assist.

Another question was asked. The honourable member asked why they could not hold them on a regular day-after-day basis. I am sure the member for Grey can tell the member that these cattle go into the community sale barn four to five days ahead of time. They are then sorted into groups of the same weight and colour so they can be sold in groups in which the feeder wants to buy them; so they are really in there four to five days before. There is no possibility of one animal being overfed; they all get the same feed. I am not sure, but I think there is a limit of one hour on the time they must be there before the sale.

I appreciate the support of the other parties, and I believe I have answered their inquiries.

Motion agreed to.

Third reading also agreed to on motion.

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 79, an Act to amend the Corporations Tax Act.

Hon. Mr. Ashe: Mr. Speaker, this bill to amend the Corporations Tax Act, 1972, includes significant changes arising out of the 1981 budget as well as administrative changes.

With respect to the resource industry, the federal income tax treatment of Canadian exploration and development expenses is to be adopted. As a result, exploration expenses incurred in Canada after May 19, 1981, will be fully deductible in the year in which they are incurred by all corporations, and not just by corporations whose business is mining or oil and gas production.

Development expenses incurred outside Ontario after May 19, 1981, by mining corporations and oil and gas companies will be limited to a maximum annual deduction of 30 per cent

of their undeducted expenses. Development expenses incurred by these corporations formerly were fully deductible in the year in which they were incurred. Development expenses incurred in Ontario by all corporations continue to be fully deductible.

Expenditures after May 19, 1981, by all corporations for Canadian oil and gas properties will be limited to a maximum annual rate of 10 per cent. These expenditures formerly were fully deductible by mining corporations and oil and gas companies in the year in which they were incurred.

In the budget, the Treasurer (Mr. F. S. Miller) announced that Ontario will parallel recent changes made by the federal government to its earned depletion allowance system. This proposal will be made later by changes to the regulations under the Corporations Tax Act. This proposal affects oil and gas corporations rather than mining companies. The effect of the Ontario proposal is to reduce the extent by which oil and gas corporations may deduct depletion allowances from their income.

Taken together, the changes affecting the resource industry will increase Ontario corporations tax revenues by some \$15 million.

12 noon

Also announced in the budget was a change that may affect corporations whose tax liability exceeds \$2,000. This bill contains amendments that restructure the basis for calculating monthly corporation tax instalments.

Corporations that have fiscal years of less than 12 months and corporations that have recently amalgamated or reorganized will, for taxation years that commence after September 30, 1981, have to pay tax instalments on a full year's tax based on their new corporate structure.

This amendment ensures that these corporations pay full monthly instalments and do not delay until after their year-end the full payment of their tax liability.

In addition to the foregoing, there are a number of administrative amendments. Some of these amendments close loopholes; others simplify the administration of the tax.

For example, the amendment to the foreign tax deduction will prevent corporations from claiming a greater deduction than they are entitled to.

Another amendment to the interest provisions will make it easier to calculate the interest to be credited to corporations if they overpay their corporate tax instalments.

The changes to the permanent establishment provisions will simplify the rules that apply to entertainment corporations.

This bill will not only implement the changes announced in the budget but also improve the administration of the corporations tax.

Mr. Nixon: Mr. Speaker, we certainly accept the continuing concept that our Corporations Tax Act, wherever possible, should parallel the federal statute and regulations. The simplification of the tax procedures and the sharing of responsibility for the general principles of corporation taxation are concepts that we have supported and will continue to support.

I have a feeling that the minister may be in somewhat the same position as I am. I do not want to insult him, but I have the feeling that the elaborate wording and intricate meanings of the statutes and the changes are sometimes rather difficult to keep in one's mind all at once.

I have a terrible feeling that the corporations tax statute here and its regulations are like some elaborate religious procedure understood by only a very select priesthood of lawyers, a very select group of lawyers none of whom I know personally, and a few public employees who are at least clever enough to give the impression that they grasp it sufficiently so that the minister has the confidence to come into the House and read the statement that he just read. I am sure that he read it before, but I have a feeling that the actual development of the statement was about as far removed from him as it was from me.

Just in trying to examine some of the amendments, one would have to turn immediately to a researcher who was skilled in the law, one preferably with some experience in the collection of corporation taxes. We as legislators have really abdicated our responsibilities almost entirely except for the main concept: the NDP say they are not paying enough, the Conservatives say they are paying too little and we think it is just about right, just like Little Red Riding Hood or whoever it was who ate the porridge.

I am particularly interested in this bill because the first section deals with family farm corporations: not that I am a part of one, but I certainly represent many people who are interested in that, and we are particularly pleased that the 95 per cent requirement of farm assets in the corporation has been changed to 75 per cent. This gives family farm corporations at least some reasonable leeway even in the collection of interest payments. Believe it or not, there are

some family farm corporations, I understand, that collect interest instead of only paying interest.

Certainly this is a problem that has been brought to my attention by some farmers who have also expanded their farm-related business to the selling of seed, fertilizer, weed sprays and that sort of thing, where they have had some difficulty with the real corporation tax people—that is, the ones in Ottawa—who feel that when those revenues or profits or assets exceed the five per cent formerly permitted, they should be taxed on another basis.

I am very glad that has been set straight and that any ambiguity in the holding of family farm shares has been cleared up. I vaguely looked at the section once when I thought our rather inadequate holdings in South Dumfries might be put into a corporation in which my sons and daughters would be shareholders. But when it said that every share of the capital stock—rather than read the whole paragraph that is written here, referring to “every share” rather than “all shares,” I would say the amendment is corporation in which my sons and daughters would be shareholders. But when it said that every share of the capital stock—rather than read the whole paragraph that is written here, referring to “every share” rather than “all shares,” I would say the amendment is clearer.

One of the other sections I was interested in referred to entertainment corporations and the costs of entertainment. Once again, without doing the kind of research the minister has undoubtedly done, I have a feeling there is a reference there particularly to companies that might be making feature films, or other films, in Ontario. We are becoming the Hollywood of the north for high quality Canadian-type films.

I had the great pleasure of going down to Theatre in the Dell earlier this week. One of the skits there featured a young man who was singing about his joy at finally getting into the Canadian film business, starring in a film called *Murder in Texas*. He said “We even found a place in Ontario where we can film this and you would never be able to tell you are in Canada.” One of the things wrong with our entertainment industry is that somehow or other, while these films are high quality—they have not attained the quality of the *Texas Chainsaw Massacre* and those classics—but still some people in the area—

Hon. Mr. Grossman: You do not want those censored?

Mr. Nixon: I do not even like what they have on the Royal York TV, but that is another matter.

Hon. Mr. Grossman: What have they got?

Mr. Nixon: The minister ought to check in sometime. They really do not come up to real-life experience and things of that sort.

I have a feeling, however, our Minister of Revenue might very well take some initiatives in this field that would perhaps provide additional impetus to the film industry. Toronto is a great filmgoing community. I think the per capita ticket sales here are higher than almost any other community in the world—North America at least. We might very well be using the powers of the Ministry of Revenue in a way that would encourage the film industry more than it has been encouraged in this area. Federal initiatives have really made the industry as it is. Maybe we could do something to improve it, particularly if we could do something about its quality. That would be extremely acceptable.

I was also interested, although certainly nonplussed, by the changes in the depletion allowances that are granted in the legislation. The minister indicated they simply parallel what is happening in Ottawa, and that is fine with me. But, once again, we should be looking at a direct application to Ontario.

The Minister of Energy (Mr. Welch)—in one of the strangest statements I have heard from him in a long time, and he has had quite a list of strange statements—is getting very enthused about the prospect of oil being found in the Hudson Bay plateau, and out in Hudson Bay itself. It sounds great, and I sincerely hope his optimism is justified. But it seems strange to me the geologists of the world have not found that relatively easy source of exploration in the past.

When I was first elected the then Minister of Mines, the Hon. George Wardrope, now deceased, was informing the House with the same degree of enthusiasm that the clay structures there were typical of the kind in which diamonds were located. Extensive research was going on north of Cochrane to locate the diamonds he was sure were there. I hope I am pleasantly surprised but right now I feel the statements made by the Minister of Energy, in his prospects for oil exploration, are just about in the same category as the Wardrope diamond mine.

Hon. Mr. Grossman: Diamonds are forever.
12:10 p.m.

Mr. Nixon: They are still underground, as far as we are concerned.

We desperately need a little bit of improvement in the prospects for northern Ontario. But if we want to encourage research there, and give some indication to the hard-headed people in the oil industry—at least they were hard-headed until Tuesday of this week when the Premier got into it—we could encourage the kind of exploration that might be to the benefit of the people of Ontario. Even if they do not find oil, at least there will be jobs and machinery going into this search. I was a bit disappointed that one of the newspapers is referring to the Premier as, “Dry Hole Billy.” I hope that is not right, because of our commitment to the oil industry from which we hope we will be getting some reasonable return—if not in oil at least in cash or jobs.

I do not mind supporting the bill. My colleagues may have more specific questions that would require a review in committee, but I am quite prepared for the bill go to third reading directly.

Mr. Charlton: Mr. Speaker, I rise to speak to Bill 79 from a bit of a split perspective. When we take the specific sections of the bill in isolation, we in this caucus find little objection to many of them as they stand on their own. However, if we relate the specific sections, as the minister has suggested, to the provisions of the budget of last spring, then we find we have some serious concerns with the things specifically laid out in this bill as they relate to the approach this government took in the budget.

We have no objections to the work the ministry has done in this bill in terms of clearing up some definitions concerning family farms. We are also happy to see the reduction of the asset requirements from 95 to 75 per cent, and the same with family fishing corporations. We have no objections to the attempt the ministry has made to plug loopholes. We sincerely hope the actions being taken in this bill to plug those loopholes accomplish what they are intended to.

However, I must refer to the whole question of the budget itself and the provisions the budget sets out and how that budget relates to this bill. The minister attempted to portray that relationship as, “This bill is the fulfilment of those things discussed and promised in the budget.” Unfortunately, we do not see this bill in that light. The budget attempted to do a number of things, one of which was to increase substantially the revenues to the province through a number of the other items the budget dealt with. We had increases in personal income tax; we had ad valorem taxes on gasoline and motor

vehicle fuel, which were not just tax increases but an endless series of tax increases that may some day haunt this government in its relationship with the public; there were increases in OHIP premiums; there were a whole series of items whereby this government attempted to deal with the question of revenue, and presumably tried to relate that to its budgetary deficit.

The specific provisions of this bill do provide some housekeeping and some clearer definitions and attempt to plug some loopholes in the taxation of the corporate sector in Ontario. But they do not deal in the same way as those other bills that were attached to this budget do, nor in the way we understood the Treasurer (Mr. F. S. Miller) to be saying about the budgetary policies of this government. They do not deal with the specific questions the Treasurer raised in the budget, the specific needs the Treasurer laid out for this government and for the province in the course of his budgetary endeavours in 1981-82.

My colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) referred to this major sector when he referred to himself and his colleagues as the happy middle ground. The government has taken the position it needs additional revenue but seems prepared to get it on the backs of the individuals and the families of this province rather than from some of the other sectors they could also have dealt with. The member for Brant-Oxford-Norfolk and his colleagues, who feel so comfortable in that happy middle ground, may at some point not too far down the road also find themselves in a serious position with the people of this province if they, like the government, continue to support rather hefty tax increases in all those sectors dealing with personal taxes at the same time as they clearly support holding the line in the corporate tax sector.

We on this side of the House understand the arguments the government has made in the past about corporation taxes. On a number of occasions it has expressed clearly the pride it feels as a government over the level of corporate taxes in this province. It has bragged on a number of occasions about how they have kept taxes down in the corporate sector as compared with other provinces.

I would like to remind the Minister of Revenue and perhaps the Treasurer, although he is not here this morning, of the bragging they do about the corporate tax in this province. They have also on a number of occasions spent a lot of time in this House bragging about personal income taxes in this province—brag-

ging that the personal income tax rate in the province was—and I emphasize was—the lowest in Canada. On a number of occasions we have gotten into serious arguments with the government about whether or not that was true, in relation to the question of Ontario Health Insurance Plan premiums and whether they are a tax when you compare them with the tax structures of other provinces.

But that is an aside at this point. The decision that was made in this 1981 budget put that bragging and boasting into effect. But it distorted it in the case of personal income taxes and slapped on a rather substantial tax increase in a sector that this party has talked about repeatedly in relation to overall taxation policy as one of the areas that is fairest to tax.

We attempted to provide some opposition to increases in the personal income tax, not because we have changed our minds about whether or not that is one of the fairer taxes to move on for raising additional revenues but in relation to what the government is really saying in this budget—its approach to that revenue by increasing personal income taxes and not touching the corporate sector at all.

12:20 p.m.

The Minister of Revenue referred a number of times during his opening remarks to the fact that this bill implements the policies that were set out in the budget of last spring. That is what we find a lot of discomfort with. In our view, this bill negates a number of things the government has bragged about in the past in relation to its approach to tax policy. In this past budget, the government has made it clearer than probably it has ever been before that its real philosophy in terms of tax policy is that the protection of its friends, specifically its friends in the corporate sector, is its ultimate and paramount priority.

Its second priority, perhaps, is this thing it has been hooked on for the last five or six years—through a process of cutbacks, restraints and now tax increases, attempting to reduce the deficits with the eventual hope of balancing the budget. But the government has now made it quite clear that its intention is to go through that process, no matter whether it is a three-year, five-year or 20-year process, to get eventually to that point of balanced budget, if it ever does, by balancing the budget in this province on the backs of individuals.

The bottom line is that in every single instance in the budget of last April, the tax approach this government took was towards individuals. It not only went after individuals

with the income tax increase, it also went after them with the gas tax and with OHIP premiums. It has made it quite clear it no longer intends to deal with the Corporations Tax Act; and that sector this tax represents is an important source of revenue, an important part of the budgetary process in Ontario.

This government made its first major approach to revenue increases in the last budget, as compared with the last five budgets where it nickled and dimed and played little games with all kinds of taxes. Not only did it do that but it found itself in some windfall situations earlier this year when it got some additional revenue out of the ad valorem gasoline tax that it had not even expected to get. It had not even budgeted for that.

The budget this year the Minister of Revenue refers to was the first major attempt in a number of years on the part of this government to increase revenue sources. It has said to the people corporation taxes are not a significant part of what we have to deal with in revenue collection in Ontario. Unfortunately it has not very clearly laid out why. It has not been fully honest with the people and it has not said out front why it has totally neglected to deal with this sector.

We have a bill here with a number of housekeeping provisions, most of which are fully acceptable in isolation and in their individual intent. But our caucus finds the bill as a whole, as it relates to the budget and the approach this government took to taxation in Ontario, extremely offensive. We feel as we did with the gasoline tax and a number of the other approaches that were made in the budget last spring.

We do not intend to oppose the bill because we still have to deal with its specific provisions, but we want it clearly on the record that the approach expressed in this bill is a totally unacceptable one. The people of Ontario have to be clearly brought up to date in terms of what this government is doing in its approach. That includes the approach of my colleagues to my right, as expressed by the member for Brant-Oxford-Norfolk in the happy middle ground.

The appropriate sector in this province is a sector that has never fully paid its fair share as it exists at present. It is far from paying its fair share. It is a sector whose effective tax rate is far less than that of the average individual working person in this province, and has been for a considerable number of years.

It is a pattern that has continued to shift

against the individual with the assistance of this government and the federal government in Ottawa. That is a process which has been exaggerated in this bill and in the budget this year. It is a question we cannot allow to continue to go undealt with.

Mr. Wildman: Mr. Speaker, I will only speak briefly on this bill. I was goaded into speaking by the minister who said this bill was in some way bringing to fruition the principles of the budget and for that reason this House should support it. As my colleague has said, because of the specific provisions within this bill we will support it. But we cannot accept the philosophy of this government exemplified in the budget which basically said corporations should not share in an attempt by the provincial government to increase tax revenue.

It is rather difficult at this stage, this week, to talk about any kind of philosophy behind the budget statement of last spring. Last spring, when we received the budget it seemed what the Treasurer was saying was that he had a fiscal problem, that he wished to increase revenues, that he wanted to limit his deficit—although not at the rate he had previously talked about—and to keep it below \$1 billion.

He wanted to increase his revenues, but he stated quite clearly in the budget statement that he could not move to increase corporation taxes significantly, that he had to maintain a good investment climate—I believe that was the term he used in the budget—that corporations had to have room to move and that it would be counterproductive to increase the corporate tax rate. So, as my colleague has said, he moved to increase his revenues by the new ad valorem tax on gasoline, but also by increasing the health care tax in this province which we call OHIP, and the personal income tax rate.

12:30 p.m.

The reason it is rather difficult to talk about the philosophy behind that budget is that we had an announcement this week by the Premier (Mr. Davis) of the purchase of 25 per cent of the shares of Suncor. This does not seem to fit in anywhere with the budget statement or the philosophy expressed by the Treasurer at the time of his budget. Certainly it increases the expenditures on the government side. The only thing that might very obliquely relate to the purchase of Suncor in the budget is, I suppose, the ad valorem tax on gasoline which increased revenues to the government somewhat at the expense of the energy consumer of the province.

The increase in the deficit as a result of the purchase of Suncor is not in line with the Treasurer's philosophy. I think that was demonstrated yesterday when the Treasurer was put in the very uncomfortable position of defending that move. I suppose he, as Treasurer, was not really involved in the cabinet decision. I understand via the grapevine that only four or five cabinet ministers were involved. If the Treasurer was not really influential in it, the Minister of Revenue probably had even less influence in that decision, so it is rather difficult to talk about the philosophy of the budget.

I want to relate what we consider to be wrong with the bill. There has not been any move to increase revenue at the same rate or better from the corporate sector, while there was a concerted drive to increase revenue at the expense of the individual taxpayer who pays OHIP premiums in the province. The philosophy expressed last spring by the Treasurer is that one must leave the corporations with room to move—there must be a good investment climate maintained in Ontario. Basically he was saying we must maintain the tax expenditures that we now have.

What he is really saying is that the taxpayers of the province must continue to subsidize the corporate sector because we forego millions of dollars in corporate revenue that could flow into the coffers of Ontario through all sorts of incentive programs that have been put in place over the years supposedly to encourage corporations to do things they might normally not do because in their view it was not profitable.

Even when one follows that philosophy, and the argument used by the Treasurer, the irony in this whole thing is that when he was referring specifically to research and development in his budget statement he said the incentive programs provided by the government—and for that matter by the federal government, I suppose—to encourage an increase in research and development by the corporations operating in the province have failed. He doubted we would meet the 1.5 per cent of the gross national product target set by the federal government for 1985 if the present rate of R and D continues in this province. Basically he was saying that the incentives provided for R and D were not working.

The bankruptcy of the Treasurer's position was that the only proposal he had, other than the IDEA Corporation, was for the federal government to increase incentives for R and D in this country, because he said this provincial

government could not afford to do that. He is saying it does not work, it has not worked, but the only option is to continue doing it; try, try again and maybe it will work. The fact is that what happens when tax expenditures, incentives, tax write-offs and so on to the corporate sector are increased, is it usually increases profits in the corporate sector. It does not lead to the reinvestment, production of jobs and so on that it was intended to lead to.

If this government really intended to increase the revenue, to cut its deficit—although that now has changed, of course; it has moved away from that six months later. I understand Tory thinking involves never thinking in the past, always in the present and the future. So something the government has said before is no longer operative. I do not know how long it takes for it to become inoperative, whether it is an hour, a week, a month or a year, but at any rate something said before does not count any more. I have learned I have to accept that with the Tories.

The government has obviously said now that it does not want to maintain its deficit at less than \$1 billion this year—unless the added revenue from ad valorem is going to help it resolve that, of course. It has bought into Suncor, but it has not been willing to move in the resource sector in this province. The arguments used by the Premier about Suncor could apply just as easily to uranium, when we talked about the uranium contracts for Hydro, but that is not related directly to the principle of the bill.

As I said, we support the bill because of what is in it, but we are very unhappy about what is not in it. The government that said it wanted to increase revenue has decided to increase revenue only by increasing taxation to the individuals and families of this province, by increasing the personal income tax rate, by significantly increasing the health care tax and by leaving the corporations to go scot free with an effective tax rate that is significantly lower than the effective tax rate for individuals.

I do not see how even this government with its philosophy can justify that. It is with great disappointment that we see this continuing trend of moving the tax burden away from those with the best ability and most responsibility to pay to those who are already hard pressed to get by in the difficult economic times we have today.

Ms. Bryden: Mr. Speaker, I think we have to look at this bill in its context as part of the post-election budget. We have seen the pattern

the Conservative Party invariably follows of a no tax increase pre-election budget, then a lot of election promises, bribes and belated adjustments to starved programs. Then the government presents the bill in the post-election budget, but to whom does it present it? Not to all of the taxpayers, but only to the personal income taxpayers, the OHIP premium payers and the users of gasoline, tobacco and alcohol.

But the budget asks not a penny more from corporations. As a result, the corporate share of budgetary revenues in this province will be only 12 per cent in 1981-82, compared to 48 per cent for personal income taxes. Corporation taxes have dropped from 18 per cent of the share of budgetary revenue as an average in the decade ending in 1970 to 12 per cent today. I did not notice the Liberal Party fighting this trend in the budget in the same way as it filibustered against the gasoline tax. It seemed to let the corporations get off easy, the same way the government did.

This bill will further reduce the contribution of the corporations to budgetary revenues, because it does include some new tax concessions. The thing is, we do not know how much those tax concessions will amount to because the figures for what are called tax expenditures are not published which, as my colleague mentioned, is one of the major leaks in our budgetary system.

12:40 p.m.

At the federal level, it has been estimated tax expenditures amount to about \$30 billion. We have never been able to get the Ontario government to make an estimate of what tax expenditures amount to here, but we know they substantially reduce government revenues. I hope the next budget will bring us a figure on tax expenditures in Ontario. It has been done in a number of US jurisdictions and in other countries as well. It is now being done at the federal level.

Without that, we do not know what use the corporations are making of the moneys they gain from various tax concessions, some of which we are considering in this bill. We do not know whether the money goes to job creation here, to investment abroad or to corporate extravagances like executive jets. The Premier has joined in this kind of extravagance. We do not know how many jobs are created as a result of incentives given through tax expenditures. I hope the next budget will bring us that information.

By loading the entire amount of the tax

increases in this year's budget, which amount to \$603 million, on to the individual taxpayer, the government is adding to our serious economic recession. I call it a recession because the number of layoffs and the slowdown in the whole economy is really a recession today.

The government is adding to that recession because it is cutting the purchasing power of the average Ontarian by \$603 million and is funneling the money into nonproductive activities such as buying the cabinet jet and buying a share of Suncor. That expenditure needs to be looked at more closely in terms of what other investments could have been made in joint ventures that would have increased our job creation capacities in this province.

The Premier has yet to give us a good reason why this particular expenditure was made and the deficit increased by this amount in the next year or two. It would appear he is simply assisting his friends in this company to achieve a better tax position. He puts it in terms of increasing the Canadianization of the oil industry, but one questions whether in Ontario there are not more urgent things in which to invest in terms of job creation.

I think the Treasurer should have looked at various ways of adjusting the corporations tax to yield more revenue. He could have increased the rate by one or two points. He would have collected about \$82 million per point. He could have withdrawn some of the tax concessions since he does not have any definite proof they are creating jobs.

He could have looked into the question of the capital gains tax and whether the province should move into the other half of it. He could have looked into resource taxes, which Saskatchewan is tapping to a much greater extent than we are. He could have looked at all these things, but instead he exempts corporations from any tax increases. This really reflects the government's philosophy that any money given to a corporation will produce additional investment and additional jobs. I ask the minister to prove this to us. We have no figures on it, and we still are waiting to see how much these various tax concessions amount to and what they actually do to the economy.

Therefore, though we are supporting the individual items in this bill, partly to ensure as much uniformity as possible between the federal and the provincial corporations tax legislation, we do think the province should look at increasing the corporate tax and withdrawing some of the additional tax concessions it gives in

this province on top of the federal ones. That would get us moving towards a fair tax system, which we certainly do not have in this province at present. It would also increase the purchasing power of the people who are now carrying most of the tax load.

I hope that next year we will see a change in the trend to more and more concessions to the corporations and that we will get into a proper tax policy which recognizes that all taxpayers rather than just one section of the taxpayers should be sharing in the cost of paying for that very costly election.

Hon. Mr. Ashe: Mr. Speaker, first of all I would like to thank the honourable members for their general support—and I appreciate the reservations added to that by the spokesman from the NDP—for the bill per se and what is in it.

There were a few questions raised and a few things that I feel I have to clarify for the sake of the record. The member for Brant-Oxford-Norfolk (Mr. Nixon) referred to the elaborate procedure, et cetera, within the Corporations Tax Act. I acknowledge that I am not a corporate tax act expert, as he, I think, acknowledged he was. I think I could honestly say I have a pretty good general understanding of what is contained in this bill and would be prepared to answer questions accordingly within the Corporations Tax Act per se, without pretending that I am an expert by any stretch of the imagination.

The member raised a question about the entertainment corporations, particularly in the Hollywood of the north, which Ontario and more particularly I suppose the Toronto area has been known to be. I just want to assure him that within our corporate tax structure Ontario now does allow the same capital cost allowance to investors in a film as given by the federal government. So I do not think that we can go much further than that.

This particular section in Bill 79 pertaining to nonresident corporations and live entertainment is strictly that, live entertainment; it has nothing to do with the film industry per se.

Mr. Nixon: What could it be? What does the minister mean by live entertainment?

Hon. Mr. Ashe: Exactly that. The group or singer comes in and they are nonresident citizens, and it can be many different forms. Many different entertainers have different talents that they like to display in various forms. I

leave it to the member's imagination to decide what form of entertainment best suits the individual purpose.

Mr. Nixon: I think we ought to tax some of those forms.

Hon. Mr. Ashe: Yes, different forms.

Mr. Nixon: All those Tories go down there and spend a lot of money on it, so we might as well get something back.

Hon. Mr. Ashe: The member for Hamilton Mountain (Mr. Charlton) made reference to the bill and the general budget approach. I have to voice some general disagreement vis-a-vis what the corporations tax does and what the philosophy of this government has been over quite a number of years, and actually put to rest the inaccurate interpretation that the corporate sector over the last decade has not generally been put through the same increases in taxation and is not contributing as much as or more than it did 10 years ago.

12:50 p.m.

First of all, Mr. Speaker, let me draw your attention to the budget document itself. This is a relatively short time frame, but I will expand upon it in a moment.

In the fiscal year 1977-78, corporation taxes contributed 9.4 per cent to the provincial revenues. In 1981-82, it was 11.2 per cent of provincial revenues. In my mathematics, 11.2 per cent is greater than 9.4 per cent.

Mr. Grande: Oh, come on! As the Minister of Education (Miss Stephenson) would say, that is totally illogical.

Hon. Mr. Ashe: The member said it was a lesser percentage of the provincial revenues.

Mr. Nixon: The minister is right.

Mr. Grande: It is a computation of money and wealth.

Hon. Mr. Ashe: It is a matter of dollars and cents that 9.4 is a lesser percentage than 11.2. The member can argue whether that should have been 20 and 30, and that is fine.

Let me also point out that, from the fiscal year 1971-72 to the 1981-82 estimates, the personal income tax dollars have increased by 328.6 per cent. That is just a little over threefold in that decade. On the other hand, looking at that exact same time period, the dollar contributions of the corporation tax sector—we are not talking about percentage now; we are talking about their dollar contributions—have increased by 353.1 per cent. The comparative percentage increases are 328.6 and 353.1.

The other thing that the New Democratic Party philosophy always fails to get through to me—and I guess I am a little dense in that regard—is the straight understanding that a corporation is some magical being in the sky. We happen to know that corporations ultimately are people. People own corporations in one way or another, people work for corporations in one way or another and, ultimately, corporations are people. So I find it very difficult to go along with this analogy about the corporate bum up there.

There was, of course, the reference that within this bill itself there is no increase in corporation taxes. It is true that there is no increase in this particular budget in the corporate tax rate per se. That is acknowledged and, I think, defended quite rightly by the Treasurer in his budget statement and since then on more than one occasion.

I point out and acknowledge that even the relatively minor changes within this bill will generate additional revenue beyond the growth rate of the various tax sectors of some \$15 million. I appreciate that, out of a budget the size of Ontario's, \$15 million is a relatively small sum, but it is an increase.

Let me also point out that the last year the personal income tax rate was changed was 1977. Since that time the corporate tax rates have increased on two occasions, from 12 per cent to 13 per cent and to 14 per cent. So, if one looks at those numbers, there has been a greater percentage increase in the corporate percentage since 1977, as well as more occasions of change, namely, two compared to one this year.

When people speak about actual rates of tax, it defies the arithmetic that they seem to come up with. They look at the corporate tax rate and say: "It is 10 per cent or 14 per cent, depending on whether it is a small business or otherwise. That compares with 46 per cent of a provincial tax rate." They subtract 14 per cent from 46 per cent and say that means the private individual is paying more than 30 per cent extra. Of course, that is a very inaccurate argument, as we all know, because we are talking about completely different apples and oranges.

When we are talking about our personal tax rate in the province of Ontario, we are talking about the percentage of tax that we put on top of the federal tax; it is a percentage of the tax. When we are talking about the corporation tax, we are talking about the taxable income of the company, and not the tax rate itself. As we all

know, corporations have to fill in not only a provincial corporation tax return but also a federal tax return.

When one adds up those percentages—and I can give members all kinds of numbers at any level they want—let me assure them that the average corporate tax rate compares very well and is considerably higher than generally personal incomes are until you reach something in the order of \$50,000 of personal income.

On other occasions and for other purposes, the NDP would suggest that somebody in the \$50,000 tax bracket really should not have to worry about those kinds of problems anyway. But that is the case. If one looks at an average provincial income tax rate for somebody earning \$50,000, it works out to 12.22 per cent. If one looks again at the corporation, it varies anywhere from 10 to 14 per cent, depending on the nature of the business and whether it is allowed the small business deduction. If one goes down into lower levels, to \$20,000, the average pro-

vincial rate is down to just over nine per cent, which is even lower than the 10 per cent rate based on the small business deduction.

It is safe to say that the corporate sector in this province does pay, has paid and always will continue to pay its fair share of the provincial needs. More important, though, is the recognition that corporations are not pie-in-the-sky stars; they are not just a figment of the imagination. Corporations are people, and without corporations and without people we would not even be here at all.

I hope I have covered most of the points. I would like to make sure I have answered all the points raised today. I would prefer to look at the transcript from Hansard today and respond on Monday.

On motion by Hon. Mr. Ashe, the debate was adjourned.

The House adjourned at 12:57 p.m.

ERRATA

No.	Page	Column	Line	Should read
53	1855	1	30	East 4,856 4.05 1,199
53	1855	1	31	Northeast 2,654 4.84 548
53	1855	2	25	inflation (\$8,426,500) \$9,763,800
53	1856	1	14	children 8 to 12 years.
67	2421	1	5	provided or otherwise projected for 1981-82,
67	2421	1	15	in underserved areas
67	2422	1	16	programs for fiscal year 1981-82, following which there will be negotiations with the institu-
68	2459	1	39	Horne, first reading of Bill 139, An Act to
68	2459	2	3	Mancini, first reading of Bill Pr8, An Act
68	2459	2	8	reading of Bill Pr27, An Act to revive Candore
68	2459	2	13	first reading of Bill 140, An Act to amend the
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McKessock, R. (Grey L)
Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
Peterson, D. R. (London Centre L)
Philip, E. T. (Etobicoke NDP)
Reid, T. P. (Rainy River L-Lab.)
Riddell, J. K. (Huron-Middlesex L)
Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stokes, J. E. (Lake Nipigon NDP)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
for Justice (London South PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wildman, B. (Algoma NDP)

RS



Ontario

No. 73

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Monday, October 19, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, October 19, 1981

The House met at 2:04 p.m.

Prayers

ELECTION IN GREECE

Mr. Renwick: Mr. Speaker, it is my privilege on behalf of my colleagues, and indeed on behalf of all of the members of the assembly, to record the magnificent victory yesterday of the Pan-Hellenic Socialist Movement under the leadership of Andreas Papandreou.

I do so because I recall the evening at Varsity Stadium when a mass rally was held to welcome Andreas Papandreou, who was in exile, to Canada at the time of the junta in Greece. It is for me a fascinating footnote to the history of Pasok, that during those years when then Professor Andreas Papandreou was at York University the headquarters of the Pasok movement was in Riverdale riding. I had the opportunity to get to know Andreas Papandreou and many of his followers, many of whom returned to Greece with him, many of whom reside in my riding and all of whom throughout Metropolitan Toronto and Ontario and Canada are thrilled by the results of that election.

It was an even more magnificent victory than the victory here on March 19. The mandate was in excess of 45 per cent of the vote, in a country which has long been divided by a multiplicity of parties. It has a long and indeed tragic political history, and I am pleased to say Pasok has an overall majority in the Greek parliament. It is a great day for me; it is a great day for the Greek-speaking people of Canada.

Mr. Smith: Also on a matter of privilege, Mr. Speaker: It is my privilege to tell the House that today, October 19, marks the 100th birthday of Dr. Elizabeth Bagshaw, who is alive and enjoying good health. We do not normally recognize 100th birthdays of citizens, but Dr. Bagshaw, as many members of this House will know, was one of the first women physicians in this country, was a pioneer in the field of medicine and was a pioneer in the field of family planning, where for 35 years she was the director of the family-planning facility in Hamilton. She carried on a very active practice until very late in her life, and I am happy to tell members that, from my

chat with her yesterday, she is very sharp indeed and is enjoying excellent health.

Dr. Bagshaw paved the way for many of the progressive changes which have occurred in our society, and a film has been made about her life. She gave up her practice only in 1975, at the age of 95. She is one of the most amazing people ever to practice in the field of medicine.

I know that the Minister of Education (Miss Stephenson) is one of Dr. Bagshaw's great admirers and is very familiar with the great contribution she has made on behalf of women, as well as on all of society's behalf. So on this extraordinary occasion I am sure members of the House will join me in feeling joy and pleasure that Dr. Elizabeth Bagshaw has reached her 100th birthday and is with us in good health.

Hon. Miss Stephenson: Mr. Speaker, on behalf of the government caucus I join the leader of the official opposition in wishing Elizabeth Bagshaw well on her 100th birthday.

The leader of the official opposition is entirely correct in suggesting that Elizabeth is one of the most remarkable women physicians in Canada, probably in the world. Her leadership role in a number of areas of family medicine has demonstrated for a great many of those who followed her the value of that discipline in medicine. She has provided significant leadership in the area of family planning, as well as in family counselling.

Dr. Bagshaw is an old friend, who has visibly demonstrated the superiority of women in these important roles in our society. I am delighted on behalf of my colleagues in the government caucus to associate ourselves with the remarks of the honourable Leader of the Opposition.

Mr. McClellan: I would simply endorse, on behalf of my caucus, the sentiments expressed by the Leader of the Opposition and the Minister of Education and extend our birthday greetings to Dr. Bagshaw on this most happy occasion.

Mr. Smith: On a separate point of privilege: While making a note that I would never doubt the physical superiority of the Minister of Education in any contest in which she might care to engage, I—

Interjections.

2:10 p.m.

ACID RAIN

Mr. Smith: Mr. Speaker, with your indulgence may I make reference to a report in the *Globe and Mail* on Saturday regarding acid rain and Inco. I would like the record corrected. The Minister of the Environment (Mr. Norton) is quoted as saying I suggested he was hiding a certain report from the United States. In fact, I have suggested no such thing. I suggested he was hiding a report from the people of Ontario. I simply want to make it clear I have never suggested he was withholding any report from the United States. I was simply asking him if he was planning to respond to the American questioning.

THIRD ANNIVERSARY OF CHATHAM-KENT BY-ELECTION

Hon. Mr. Gregory: Mr. Speaker, I know the members of the House will want to join me in celebrating this day when they realize that three years ago today was the sweeping victory in Chatham-Kent.

IRWIN TOY DISPUTE

Mr. Mackenzie: Mr. Speaker, may I ask the Minister of Labour (Mr. Elgie) if he will consider correcting the record? Last Friday, in response to questions by my colleague the member for Beaches-Woodbine (Ms. Bryden) concerning the unfortunate strike situation at Irwin Toy, the minister defended his refusal to consider first contract negotiations with the following words, and I quote from *Instant Hansard*, "Let us understand there have been no accusations or charges made before the labour relations board of any unfair labour practice."

It is my information that is not correct and I would like to have the Minister of Labour consider correcting the record on that issue.

QUEEN STREET MENTAL HEALTH CENTRE

Mr. McClellan: Mr. Speaker, I have a point of privilege. On September 11, 1981, the *Globe and Mail* ran a story describing the contents of a report commissioned for the Ministry of Health (Mr. Timbrell) by Peat Marwick and Partners with respect to long-term policy for the Queen Street Mental Health Centre.

My point of privilege is this: While the report was made available to a reporter from the *Globe and Mail*, the Minister of Health's office has

informed my office they refuse to permit me to have access to a copy of this report. It seems to me if a report is available to the press it should be available to members of this Legislature and to opposition critics.

STATEMENTS BY THE MINISTRY

AUTOMOBILE INSURANCE SURCHARGES

Hon. Mr. Walker: Mr. Speaker, I would like to report to the House that the superintendent of insurance has completed his investigation into charges that some insurance companies in Ontario are arbitrarily surcharging elderly drivers with otherwise good driving records.

Since I first addressed the House on this matter last May 8, the superintendent has received approximately 30 complaints from elderly drivers who said they had been surcharged or even refused insurance because of their age. We investigated complaints which involved only eight of the 200 licensed insurance companies in Ontario—less than five per cent of the total industry. We also discovered that none of those companies were actually in violation of the Insurance Act.

However, an unfair practice had developed when insurance companies started arbitrarily to switch elderly drivers into the high-risk insurance pool known as the Facility Association. The association was established in 1979 under the Compulsory Automobile Insurance Act to ensure that high-risk drivers could get insurance. All insurance companies are members of the association and all share the liabilities.

However, I see no reason for placing an elderly driver who may have an excellent driving record in this high-risk pool only to face premium increases of up to 100 per cent. There are more than 250,000 elderly drivers in Ontario—granted only a small portion of the total 5 million drivers registered—but they do not deserve to be treated in this unfair and arbitrary manner as far as car insurance rates are concerned.

We also discovered that companies were requesting medical certificates from elderly drivers who are otherwise in good health. Both of these practices are unfair and we will not allow them to continue. In response, the superintendent has drafted a set of guidelines which apply to all new and all renewal policies for elderly drivers.

The following unfair practices will now be prohibited by the guidelines:

1. Any refusal by an insurer to renew a policy for an elderly driver solely because of age.

2. Any refusal by an insurer to accept in the normal way a new business application by an elderly driver solely by reason of age.

3. Any imposition by an insurer of a higher premium for elderly drivers solely by reason of age.

4. Any requirements for medical examinations or eye tests solely by reason of age.

5. Any requirement for the completion of a special application form by elderly drivers.

6. Any request for the completion of a medical report on a driver of any age unless such report is required to be returned direct by the driver's medical doctor to the insurer.

7. Any requirement that the applicant or insured pay for the medical report.

8. Any procedure for handling medical reports for drivers of any age that permits the report to be interpreted by persons without direction from a person with medical qualifications.

9. Any procedure where the evaluation of risk based on a declaration made by the applicant or insured of a physical or mental disability is affected by the age of the applicant or insured. This means that any such declaration shall be evaluated on the basis of the disability declared, regardless of age.

I must emphasize again that these guidelines have been formulated as a result of our investigation of a series of isolated complaints against certain insurance companies.

The Insurance Bureau of Canada has been advised of these guidelines and we have been assured of voluntary compliance by the industry. However, we will continue to monitor the situation to make sure the guidelines are being followed. Any insurer found acting contrary to the guidelines will be subject to investigation and action under the Insurance Act.

FOURTEENTH ANNIVERSARY OF 1967 ELECTION

Hon. Mr. Snow: Mr. Speaker, if I might have a moment, I want to draw to the attention of members of the House a somewhat significant event that took place over this past weekend. According to my calculations, and I think the member for Rainy River (Mr. T. P. Reid) will recall, on October 17, 1967 a large number of new members were elected to the Legislature, nine of whom are still in attendance. The list includes Pat Reid, Hugh Edighoffer, Jim Breithaupt, Ray Haggerty, Elie Martel, Jack Stokes, Bill Hodgson, Doug Kennedy and myself.

I hope I haven't missed anyone—14 years.

Mr. Speaker: A vintage year, if I may say so.

Hon. F. S. Miller: But a better one came later.

HIGHWAY TRAFFIC AMENDMENT BILL

Hon. Mr. Snow: Mr. Speaker, I would like to introduce a bill today entitled An Act to amend the Highway Traffic Act. This new bill replaces Bill 52, which was placed before this House for consideration last May. At the appropriate time during the proceedings, I will be moving a motion that Bill 52 be withdrawn.

Bill 52 included an amendment making it an offence to drive while disqualified under any Ontario statute or regulation. It also prohibited passing on the left shoulder of highways or backing up on freeways. It included an amendment to empower the police to escort pedestrians found on controlled-access highways to the nearest intersecting highway where pedestrians are allowed. Those amendments have been incorporated into the new bill which, in addition to a number of housekeeping amendments, contains new provisions involving examination of unsafe vehicles, exemptions covering weight restrictions during the spring months, plus a provision authorizing municipalities to pass bylaws prohibiting the blocking of a signalized intersection.

Under current legislation, only drivers were required to submit vehicles for an examination for unsafe mechanical conditions, obviously an unfair situation if it involved a rented vehicle. The new provision allows police officers the option of requiring the driver or the owner of the vehicle to submit it for an examination. Provisions that dealt with weight restrictions during the spring months have been recast, providing for an increase in the permitted axle load for vehicles transporting live poultry, and exempting waste disposal vehicles being used for or on behalf of a municipality as well as public utility emergency vehicles.

These exemptions will assist the agricultural community to meet its transportation needs and allow municipalities greater flexibility in the disposal of waste while permitting utility vehicles to respond to emergency situations.

2:20 p.m.

Lastly, I should point out that municipalities already have the power to regulate traffic within their jurisdictions; however, the law has not been given a broad enough interpretation to deal with the problem of blocking intersections. The new amendment, therefore, specifically

authorizes municipalities to prohibit drivers from entering an intersection on a green light unless they are reasonably sure they can clear it before the light turns red. I trust this amendment will help reduce traffic congestion in Ontario communities, particularly during rush-hour periods.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: I would like the Treasurer to give his attention to this question, please, Mr. Speaker. Since a major stated objective in the Suncor deal is, and I quote the Premier (Mr. Davis), "to ensure a secure supply of oil for Ontario," can the Treasurer explain how the purchase of shares in Suncor in any way increases the security of the supply of oil for Ontario?

Hon. F. S. Miller: Mr. Speaker, I will redirect that to the Minister of Energy (Mr. Welch).

Mr. Smith: May I then ask a supplementary, Mr. Speaker: The Treasurer is a member of a government that is spending hundreds of millions of dollars to purchase a company with the professed aim, among one or two other aims, of ensuring security of supply. If he does not know in what way this deal will ensure security of supply, is he saying he pretends to be in charge of the economic policy of Ontario, to go along with cabinet solidarity and spend \$650 million for these shares, but is not prepared to answer to this House as to how the deal accomplishes its stated aims?

Hon. F. S. Miller: Not at all, Mr. Speaker. I would simply suggest to the member he would find it convenient to ask ministers with line responsibilities questions about their ministries day after day. The Premier or myself could be called upon to answer any minister's question. I suspect that in their presence one is much better to ask a line minister questions about his ministry than a policy minister. I simply—

Mr. Peterson: The Treasurer does not agree.

Hon. F. S. Miller: I am not disagreeing at all.

Mr. Smith: The Treasurer is spending the money.

Hon. F. S. Miller: I suppose I should have expected a question with a bit of a twist on a Monday afternoon. We have both been at policy conferences all weekend; I had hundreds of people and the member had 25.

Mr. T. P. Reid: Mr. Speaker, is the Treasurer

aware that almost every investment company in Ontario thinks the Suncor deal was a bad one? Second, can the Treasurer confirm or deny that Moody's had already told him the province was in danger of losing its three-star credit rating before this deal because of the size of the Ontario deficit?

Is it not one of the problems the minister has—other than his philosophy—that Ontario's credit rating is in danger of being down-graded because of this purchase and the increased deficit. Is he not concerned that this deal is going to increase the cost of borrowing to the province whether it is Ontario Hydro bonds or money raised by the province itself?

Hon. F. S. Miller: Mr. Speaker, I sense that while the honourable member was up north he must have been on the wrong wire service. Quite frankly, we have been applauded and continue to be applauded for the excellent debt management of this province by comparison with almost all other governments that have any borrowing requirement at all.

Mr. T. P. Reid: Did Moody's tell the minister that or not?

Hon. F. S. Miller: No, they have never told me that. If they told the member that—

Mr. T. P. Reid: Did they tell the minister's officials that?

Hon. F. S. Miller: If they have, I have never heard it. I have only heard that we are doing very well; in fact, we have a triple-A rating, and, as the member knows, we have not had to go into the public market to borrow funds for at least five years. Certainly we never have had to during my term of office, except for treasury bills, which were discontinued in my first year as Treasurer.

Mr. Peterson: Final supplementary, Mr. Speaker: With respect to this purchase will the Treasurer not admit Canadian participation was turned down by several other groups, including the Bronfmans and the Canada Development Corporation? Will he admit that within his purview it does have a very serious and dramatic economic effect? To finance that purchase of \$650 million at 17 or 18 per cent will cost in the order of at least \$110 or \$120 million a year. Even at best, if the minister dividended all the revenue out of that company, in an extraordinarily profitable year like 1980 when it made \$300 million Ontario's share would have been \$75 million. The point of it all is that there is going to be a net loss to the Treasury on a sustained basis at least in the order of \$50

million a year which we will have to finance additionally.

Hon. F. S. Miller: I was looking for some of the quotations from the member's speeches to the policy conference where they were quoting what he was—

Mr. Mancini: Just answer the question. That's all you have to do.

Hon. F. S. Miller: Oh, the member has a great deal of righteousness, doesn't he, when he sits in that seat of his—a great deal.

Mr. Mancini: You have been sitting there since last Tuesday not doing anything.

Mr. Speaker: Mr. Treasurer, would you just ignore the interjections and address yourself to the question.

Hon. F. S. Miller: The honourable gentleman is keenly aware that an investment is not always measured in either the dividend or even the earnings per share. If that were so, many of the takeovers we have seen in this country would have been done at much lower values. One has to look at the inherent value and replacement value of the capital assets purchased and their potential for growth and earnings. On any basis at all, using those criteria, this is a good investment.

Mr. T. P. Reid: Not among the investment companies.

Mr. Peterson: No investment company would touch it; they were begging for a purchaser and you were the only one dumb enough to do it.

USER FEES

Mr. Smith: I have a question for the Minister of Health. In attempting to understand the minister's policy with regard to user fees, I have read the statements made by him. The minister has stated he would not introduce user fees as a means of affecting the utilization of health services but would consider introducing them simply to raise revenue such as might be needed if the province suffers a revenue loss, even if it is in some other area such as if the feds cut back on funding for universities.

Since the minister is stating plainly he sees user fees simply as a revenue-raising device and not as something that affects the utilization of health care—and I see he is nodding his head yes—would he explain why, if Ontario finds itself in need of revenue, he has decided it should be the sick and the elderly, the main users of health care, who shall make up the revenue losses to Ontario rather than the

population in general?

Hon. Mr. Timbrell: Mr. Speaker, that is not the case at all. If the Leader of the Opposition looks at the legislation passed in the 1960s on which the health care systems in all provinces are based, he will find there is reference to user fees in the four or five principles that underpin medicare. Even in the days when Mr. Pearson, Mr. Trudeau and their respective Ministers of Health and Welfare were establishing the national medicare plan, they envisaged there would be user fees. I cannot remember the exact wording, but one of the principles was that they should not be so great as to deter people.

The Leader of the Opposition is quite right. I do not believe that properly developed and applied user fees deter utilization. I do not believe it has worked anywhere in the world where they have set out to try to deter utilization through a system of deterrent fees. In fact, wherever they have tried it in the world, it has been an abysmal failure.

Even the existing user fees for chronic care, nursing home care and ambulances are a very small part of the almost \$16 million a day that is spent on health care, but I believe they do have a place in the system.

2:30 p.m.

Mr. Smith: By way of supplementary, the minister will surely accept that there are only two possible reasons for user fees. One is to try to effect utilization of health care; the other is as a tax—as a form of getting revenue into the coffers of the province. Surely it can only be one of those two reasons.

If the minister admits it is not going to effect utilization and has chosen to recommend this as a form of revenue raising, as opposed to increasing some other tax in the province, would he please explain why he believes this additional revenue should be drawn from those who use the health-care system? They are by and large, I am sure by his own admission, the sick and the elderly. Why would he draw the revenue from them instead of raising it from all the citizens of Ontario? Will the minister explain why he has chosen that group to bear whatever burden happens to fall on the province?

Hon. Mr. Timbrell: First of all, Mr. Speaker, the honourable member is making the assumption that a decision has been made to expand on the existing user fees, and that is not the case.

Second, he is assuming that any additional user fees that might be introduced here or

anywhere else in the country would impact in a negative way upon the decisions of individuals to seek whatever form of health care—

Mr. Smith: I did not say that.

Hon. Mr. Timbrell: That seems to be implicit in what the member is saying. The experience here and in other provinces—

Interjections.

Hon. Mr. Timbrell: Excuse me, may I just carry on?

I would be glad to send the member a copy of a survey we did of existing user fees in those other provinces—the study to which, I think, the member for Bellwoods (Mr. McClellan) was referring last week. He implied that we had commissioned consultants to look at user fees. I confirmed that this is not true. We had done a telephone survey of the other provincial governments and I can send the member a copy of the results which show what Saskatchewan, British Columbia and so on are doing.

I think the very people the member is speaking of realize the health-care system, as large and expensive as it is, must be paid for. I believe, from my experience with them, the very people of whom he speaks believe it is not wrong for us to pay our way and that in some instances user fees have a place in the system. I believe his party in fact supported user fees for chronic care, at the time the bill came in two or three years ago.

Mr. Conway: If there be honour across the hall, let the minister stand in his place and acknowledge that the report to which he has just made reference spoke to establishing equal treatment. It had nothing to do with endorsing the principle of a special tax on the sick; it had everything to do with equalizing treatment of patients in similar situations in varying parts of the health-care delivery system. He will want to put that on the record rather than leave the despicable impression that some of us endorse what he seems to want to endorse—a special sick tax on the elderly, and particularly on women of child-bearing age.

Hon. Mr. Timbrell: While people on this side of the House try to ensure provision of high-quality services of all types to all people in this province, clearly the member opposite has decided instead to engage in a game of mindless rhetoric. I would remind him of his press release of February 19, 1979, and of comments attributed to him in the Ottawa Citizen earlier that week, which supported the introduction of chronic-care copayment.

Mr. McClellan: By way of supplementary: I am confused by an aside of the minister. Is it not a fact that his strategic research branch has hired consultants to do cost analysis of hospital user fees? Does he not agree that hospital user fees are either deterrent fees or a sick tax? Does he not agree with the Hall commission, that the policy and practice of imposing hospital ward charges is an application of the user-pay concept which is contrary to the principle and spirit of the national health program advocated by the royal commission and legislated into being by the federal Medical Care Act, 1966?

Hon. Mr. Timbrell: Mr. Speaker, I cannot quote verbatim what was said in the royal commission in 1964, but I do not doubt that commission did not advocate any form of user fee.

I know that in the legislation that was passed, the Medical Care Act and the Health Insurance and Diagnostic Services Act, which together form the underpinning of the medicare system of the country, they did refer to user fees.

As an example for the member's information, when we introduced the chronic care copayment, before we made any announcement at all we checked with the officials of the Department of National Health and Welfare and said we wanted to be sure that, in its opinion, this would not in any way run contrary to the principles of medicare. We were told it would not and we proceeded.

To answer the member's first question: When he asked the question last week, with respect, he rolled in something to do with health service organizations. Quite frankly, the way the member asked the question I found it rather confusing. On going back to the ministry, I immediately had it checked with Dr. LeBlanc, the head of the branch, who confirmed what I suspected, namely, that he has not engaged any consultants to carry out any studies on user fees.

What they had done at my request a number of months ago was to do a phone survey of the various provincial departments of health from coast to coast to find out what they were doing. I would be happy to send the member a copy of the summary of that survey, which would show him what is happening in each of the provinces.

One example I gave him last week was that, on July 1, Saskatchewan introduced user fees or copayment for nursing homes and chronic care which are roughly equivalent to what we introduced about three years ago.

Mr. Smith: Will the minister try to shed light rather than confusion on this issue? Will he

admit that he is considering user fees, not to affect the utilization of the health service but simply as a revenue-raising device? Will he admit such a revenue-raising device will raise revenue from the sick and the elderly in a disproportionate way as compared with the general population?

That surely is obvious. If the Treasurer (Mr. F. S. Miller) simply feels they are the appropriate persons to make up the need for provincial revenue, will the Minister of Health explain why he thinks those are the appropriate people to make up this provincial need for revenue?

Will he admit that what he seems to be saying is that there is some moral obligation on the user of a service to be somehow or other picked on to make up this revenue shortfall in Ontario? Why is he picking on the elderly and the sick in Ontario to make up for Ontario's needed additional revenue?

Hon. Mr. Timbrell: First of all, the Leader of the Opposition very well might want to send a letter to the Minister of National Health and Welfare, the federal Minister of Finance or the Prime Minister, if he is in the country, and ask why they would do that by cutting off funds to the provinces?

No decision has been taken about the introduction of any additional user fees. It is an option we have to keep open. It is not an option that would be designed to deter the sick, the elderly or anybody else from necessary utilization of the system. If he will look at the way we have very carefully planned where these already exist, there are instances where there is a justifiable rationale for applying some modest fees for those who use the system.

This is not to deter. Certainly, as an admittedly minor component in the financing of the system, it contributes a very small percentage of the overall cost of health care. But there is a place for it.

2:40 p.m.

DAY CARE

Mr. Speaker: A new question from the member for —

Mr. R. F. Johnston: Scarborough West.

Mr. Speaker: Right; the member for Scarborough West.

Mr. R. F. Johnston: I realize it is unusual to have a leadoff question from the back row, Mr. Speaker.

Mr. Speaker: You are right. I was looking at the front.

Mr. R. F. Johnston: Soon it will be from the front, we hope, and soon it will be the same over there too.

Mr. Speaker, my question is to the Minister of Community and Social Services. Last December, his ministry announced a 10-point package of day-care initiatives. These were reannounced as the election came along, as is the custom with Tories, no doubt to show their strong support of day-care services in the province.

Now that 10 months have passed since the announcement, will the ministry reconfirm its commitment to day care? Or will the minister today confirm or deny the following: that no projects on family group care have been selected as yet; that no proposals for informal care pilot projects have been funded yet; that no infant care money has yet been spent; and that no public proposals for public education projects have yet been accepted? And will the minister confirm that not only have they not spent any money on capital and startup costs but also they have not even set up the guidelines for those costs yet?

Hon. Mr. Drea: Mr. Speaker, on the last question, the guidelines have been set up and sent out. In answer to the first five questions, we are in the process of accepting proposals in various areas of the province right now.

Mr. R. F. Johnston: A very late development. I know the minister does not like multiple-choice questions, but I have a two-sided supplementary.

Is it not true that of the \$850,000 allocated for public education—and I quote the previous minister's statement: "for things like brochures, local workshops and seminars"—\$750,000 is destined for a television advertising campaign for the Ministry of Community and Social Services on day care, leaving only approximately \$20,000 for all of the Toronto region, or about a third of what the Minister of Industry and Tourism (Mr. Grossman) spent on leaflets and media alone to sell himself in his last campaign?

Although we all welcome the initiatives that were announced to provide spaces for handicapped children across the province, can the minister deny that Metro Toronto, which picked up this idea and provided spaces for 20 handicapped kids in January, has yet to receive one red cent from the minister for that program?

Hon. Mr. Drea: Mr. Speaker, I do not know anything about a television program that is going to take up the bulk of the funds. The funds

will be spent as announced by the previous minister when he committed those amounts of money back in December 1980.

Mr. MacDonald: In which year are they going to spend it?

Hon. Mr. Drea: I am not in the habit of carrying over money from one financial year to the next.

Mr. Nixon: It's illegal, isn't it?

Hon. Mr. Drea: That is right.

With regard to those programs—the brochures and the proposals that were going to come forward—we proceeded very carefully with those. We wanted to be absolutely sure that the guidelines, the information and the proposals that were going out would be meaningful to the people who were interested in the provision of these services, and they have gone out.

In regard to the question about the handicapped, I will check into it and give the honourable member a reply.

Ms. Bryden: Supplementary, Mr. Speaker.

Mr. Speaker: Supplementary; the member for Essex South (Mr. Mancini). The member for Beaches-Woodbine (Ms. Bryden).

Mr. McClellan: You are close.

Mr. Speaker: No. As a matter of fact, he had indicated earlier—

Ms. Bryden: Thank you, Mr. Speaker. Regardless of the name, I am pleased to be honoured and recognized.

Since the minister set aside \$450,000 as incentives for associations and agencies to provide supervised private home day care for infants, and since I am sure he is aware there are almost no spaces for children under two in existing licensed day-care facilities, can he tell us how many new spaces for infants have been provided as a result of the incentive program he announced last December?

Hon. Mr. Drea: Mr. Speaker, I will have to get the detailed information on that, and I will forward it to the honourable member.

Mr. R. F. Johnston: Surely that is an easy number for the minister to find; the number is zero, and it is quite easy for him to determine that.

In terms of the care the minister is taking in looking at these requests for public education programs, is it not true that from the Toronto area alone, the central district alone, he has already received 60 applications and that he has not funded any of them or given them any notice as to when they are going to get funding?

Hon. Mr. Drea: As I said, a great number of proposals are coming in; most of them are recent proposals. They are all being evaluated, and the ones with the priorities will be funded. It is the same right across the province.

If the member wants to get into a position today of saying he wants universal free day care, the answer is no.

TORONTO EMERGENCY HOUSING

Mr. R. F. Johnston: Mr. Speaker, my other question is for the Minister of Health. It regards the present housing crisis in Toronto, affecting especially ex-psychiatric patients but also others, both for long-term and emergency shelter.

As early as June of this year, it was shown that more than 300 spaces had been lost in the Parkdale area in Metropolitan Toronto over the past two years. Is the minister aware that, since September, all the emergency housing facilities in Toronto have been either turning away people or accommodating more people than they are funded for? For instance, Seaton House on October 14 had 25 men sleeping on the floor, and the Toronto Community Hostel on October 15 turned away three single men, five couples, two families and one single woman, in terms of the people who were coming to them that day?

What is the minister going to do immediately to provide emergency housing, and how many spaces will he be providing in the next few weeks?

Hon. Mr. Timbrell: Mr. Speaker, in the main I think the question might better be put to the Minister of Municipal Affairs and Housing (Mr. Bennett) or the Minister of Community and Social Services (Mr. Drea).

As far as the question of former psychiatric patients is concerned, let us clear the record with regard to the figures the honourable member is throwing out there. We are not talking just about people who have had a psychiatric diagnosis at one time or another; it could be people who have various problems that have led to their need for emergency housing.

As regards those people who are in need of emergency housing who are indeed people with a psychiatric diagnosis and need a form of supervision, we have taken steps.

First, we have established an assessment unit at Queen Street Mental Health Centre to assess those in need.

Second, we are taking steps to make use of a couple of the currently vacant cottages on the site of Whitby Psychiatric Hospital for immediate accommodation.

Third, we are working with the Supportive Housing Coalition, which is developing a proposal for a program that will include housing for, I believe, about 30 people.

Fourth, we will be advertising very soon for proposals for an expansion of our homes for special care program in the Metropolitan Toronto area of 120 more beds. We will be calling for proposals of maximum 30-bed locations.

At this point, quite frankly, it is difficult to get a firm fix on how many people are indeed in this category; that is, people who have had a psychiatric illness and diagnosis who are in need of assistance with housing.

Between the initiatives being undertaken by the housing coalition, which we support, the proposal call that we will issue and the availability immediately of housing on the grounds of Whitby, we believe that we will be able to assist those people.

Mr. R. F. Johnston: It was my understanding that the minister had been taking responsibility for the short-term emergency housing needs at the moment and that there was going to be a combined interministerial task force looking towards the long range.

On Friday, my researcher called Mr. Boddington in the minister's office and was told that contingency funding for emergency winter housing was being considered but it would be provided as the need is proven. If the need has not been proven by the statistics brought to the minister this summer or by the statistics that are available for September in terms of emergency housing problems—most of those shelter centres, by the way, are saying that they are not—

Mr. Speaker: Does the member for Scarborough West have a question?

Mr. R. F. Johnston: I do, yes.

Mr. Speaker: Please get on with it.

Mr. R. F. Johnston: Most of those centres say they are not dealing with psychiatric patients.

2:50 p.m.

If the minister does not think the need has been proven, will he please accept this latest bit of information and statistics being provided today?

Last night around 12:15, acting on a tip, the member for Bellwoods (Mr. McClellan) and myself went to the city of Toronto parking garage here in Toronto. We discovered, to our horror and dismay, 22 individuals sleeping in the stairwells in that area. We had been warned about this and had been told it was the case. There were a wide variety of men of many ages.

If this is happening in the one area alone, 22 people sleeping in stairwells, God knows how many others are in other heated areas around Metropolitan Toronto. Will the minister not recognize that we have an emergency crisis right now needing immediate action and not needing to be pushed between one ministry and another?

Hon. Mr. Timbrell: I do not mean to infer that it is, but if the member went to ask the other ministers who are dealing with the municipalities with respect to all forms of housing, I think he will find they are indeed aware of the problems.

In recent months, the social services committee of the Metropolitan Toronto council and the Metro chairman have been working on this problem and considering what they might do. I know the member knows that Toronto tends to be a place to which people do congregate from around the province, and there is problem there.

What I was trying to outline for the member was what we are doing in the Ministry of Health to assist those individuals who in most cases may have been at one time or another in a psychiatric facility, whether a provincial or a community one, but are in need of some form of supervised housing accommodation.

We are taking the steps I have outlined. I will not presume to answer for the other ministers, but I think the member may want to redirect his question to them for the other aspects of the problem. We are aware, though, that it is more than just the people with whom I am dealing in my ministry.

Mr. McClellan: Mr. Speaker, surely the minister is willing to concede that this problem is being addressed not on an individual ministry basis but through the mechanism of an interministerial committee comprising senior officials of the Ministry of Health and the Ministry of Community and Social Services; so buck passing in here is not very adequate.

Surely the minister will also concede that the figures he threw out today and given by his parliamentary assistant, the member for Sudbury (Mr. Gordon), in his speech to the Canadian Mental Health Association last Friday—the 120 new homes for special care beds and the cottages at Whitby—do not even begin to replace the beds that have been lost over the past two years. They do not begin to replace the—

Mr. Speaker: Does the member for Bellwoods have a question?

Mr. McClellan: What kind of policy is it that discharges psychiatric patients into cottages on the grounds of a psychiatric hospital? Surely the minister concedes that he has not begun to address the problem in a serious way.

Hon. Mr. Timbrell: First, Mr. Speaker, the member implies by the way he frames his questions that all the places that have been lost this year in boarding homes that have closed—either because of the real estate market in the spring when the owners decided, rather than meeting the municipal bylaws, to sell and get out, or for whatever reason—were occupied by people who at one time or another had had a—

Mr. McClellan: No, I do not.

Hon. Mr. Timbrell: In case somebody took that inference from it, let me correct that, because that is not the case.

Second, in dealing with a variety of organizations concerned about mental health issues, the estimates of the numbers actually in need have been all over the map. Nobody really has a good fix on how many people are actually in need.

We have these facilities available on the grounds of Whitby, a couple of cottages wherein we can accommodate about 50 people as an immediate short-term response. For the longer term, we have the proposal being developed by the housing coalition and proposals that will be submitted to us in response to the proposal call that we will publish in the next few weeks. The more we get into it, the longer the assessment unit is at work, the better we will be able to determine how many, perhaps beyond what we are already planning, need assistance for the longer term.

In regard to the question of the interministerial committee, yes, we sat down with the other ministries to ask them to assist us in looking at our problem of how to deal with people discharged from psychiatric facilities, and they were of great assistance to us.

There are, of course, other programs, particularly the domiciliary hospital program of the Ministry of Community and Social Services, through which the municipalities fund the existing emergency shelters, such as Seaton House, and could fund others; the province puts up 80 per cent and the municipality 20 per cent.

I am not trying to suggest for a moment that there is not a problem, because I know there is. But I am saying to the member that in my ministry I am able to deal with the problems of a particular segment of the population through the legislative authority I have. Other aspects of the problem are dealt with in other ministries.

Mr. R. F. Johnston: I would like to know what the theory is behind sending people out to Whitby again. Surely, if we have a program of deinstitutionalization and moving them into the community, what we need to do is to provide support in the community, not to send them back to cottages at Whitby. What is the theory behind sending people from Toronto out to Whitby, if I understand the statement by the minister's assistant on the weekend?

Hon. Mr. Timbrell: It is very simple. It is a matter of what is available for immediate use. We have had people beating the bushes for the last month to six weeks to see what buildings are available in Toronto that could accommodate at least as many people. There is nothing available that would meet the municipal bylaws or that would meet reasonable standards. We have these facilities available. They have been maintained, but they have not been used for some time. They are there now, and we can open them fairly quickly.

I thought the member was saying, and I agree, that for some people there is a crisis now, and it is not a matter of waiting six months or whatever until zoning can be approved or a building is renovated. The problem is now for some people, and we are going to deal with that now. Our other proposals, working with the housing coalition in this proposal to which I referred, will deal with the longer term.

FOREST MANAGEMENT

Mr. T. P. Reid: Mr. Speaker, I have a question for the Provincial Secretary for Resources Development. Is the minister, as a northerner and as the minister for resources development, satisfied with the government's policy with regard to forest land management in northern Ontario?

We are falling 100,000 acres behind every year in forest regeneration, huge clear-cuts of up to 50,000 acres are leaving deserts in northern Ontario and are ruining the habitat for fish and wildlife, and the allowable cut will peter out by the year 2000, at the latest, at the rate we are going. What is the ministry doing about forest management?

Hon. Mr. Ramsay: Mr. Speaker, I thought the honourable member would wait until tomorrow, when the Minister of Natural Resources (Mr. Pope) will be in the House, to ask such a question, as the minister is certainly in a better position to respond to it.

Speaking on a personal basis, I have to say

that I am concerned about the problems expressed by my colleague. But I am also very confident that the new initiatives introduced by minister will help to improve the problem. I think that we are certainly making progress in that respect.

Mr. T. P. Reid: I wonder if the minister has been reading the *Globe and Mail* and Doug Fisher in the *Sun*, and has listened to what I have had to say. Perhaps he could tell us what these new initiatives are.

Does the minister not see the deserts expanding under his eyes as he flies home every weekend to Sault Ste. Marie? Is he not concerned that there is not going to be enough forest cover, that at present cutting rates he will see, in his lifetime, nothing but a desert in northern Ontario and his kids and their kids will not see a tree growing there if present government policies are followed?

Hon. Mr. Ramsay: I cannot agree with what my colleague is saying. I certainly share his concerns, but I do not think we are ever going to be in the position he has described. I have read the articles in the *Globe and Mail*. In fact, I cut them out, reduced them and sent them to several of my constituents.

An hon. member: You recycled them.

Hon. Mr. Ramsay: Recycled them; that is right.

Mr. Laughren: They sent them to you.

Hon. Mr. Ramsay: No. It is the other way around, absolutely.

I really feel I should hold that question and ask my colleague the Minister of Natural Resources to respond to it on another occasion.

3 p.m.

ASSISTANCE TO POLISH PEOPLE

Mr. Mackenzie: Mr. Speaker, may I ask the Deputy Premier, in the absence of the Premier (Mr. Davis), to check and report back to this House the extent to which this government is monitoring and investigating the urgent needs of the Polish people. Will he report on the type of contact that has been set up with the Canadian Polish Congress to see that there is not a proliferation of programs and, more specifically, what type of help and assistance is planned or under way?

Hon. Mr. Welch: Mr. Speaker, I will be very happy to follow up on that.

Mr. Mackenzie: Also, will the Deputy Premier agree that this government has room for serious initiatives in the areas of medical sup-

plies, refugee settlement services and food? In his response, will the Deputy Premier spell out the government's plans in these specific areas as well?

Hon. Mr. Welch: Yes.

INTEREST RATES

Mr. Riddell: Mr. Speaker, a question to the Minister of Agriculture and Food. On September 17, I wrote to the Premier, drawing to his attention the plight of farmers and small businessmen caused by high interest rates and compounded by adverse harvest conditions, lower yields and low prices. To date, the Premier has not responded.

Will the minister tell us what programs this government is planning to assist those farmers in coping with the very serious difficulties they are having at the present time?

Hon. Mr. Henderson: Mr. Speaker, in response to the honourable member's question about a letter he wrote to the Premier on September 17, I do not have that letter. The Premier will respond to him at the appropriate time.

As to the latter part of his question, the member knows full well, as every member of this House knows, that the government of Ontario initiated a \$40 payment to the beef farmers who sent beef for slaughter during 1980.

Mr. MacDonald: That's all they got.

Hon. Mr. Henderson: The honourable member over there knows it as well—the asphalt farmer, not the cement farmer; he is not as secure as cement.

Mr. MacDonald: My credibility isn't as low among them as yours is.

Mr. Speaker: Order.

Hon. Mr. Henderson: It hurts them to know the truth. They do not want the truth. They do not really want to help the farmer the way this party does. They know full well that in July of this year we announced a \$20 stabilization payment to farmers who produced feeder cattle during 1980. They know full well that we estimate the beef farmer cost is \$30 million. They know that the payment for feeder cattle is \$10 million. And they know that we gave the sow-weaner producers some \$7 million. Part of this was in our budget but, on top of our regular budget, we have \$45 million in supplementary estimates to help cover this.

The honourable members know that the

government of Canada suggested it would not permit any top loading. We had to go to Ottawa to get that straightened out—

Mr. Kerrio: You have to blame Whelan all the time.

Mr. Speaker: Order.

Hon. Mr. Henderson: We have no assurance from the government of Canada that it will not deduct that portion from the payments to the farmers which might come about in another year, but we hope it will come about.

Regarding the high cost of interest, these members have short memories. We had a debate in estimates the other night, and I informed them that a week ago last Friday the federal Minister of Agriculture and I spent the forenoon together in my office on the eleventh floor at 801 Bay Street. He may say differently, but at that time, the federal minister left my staff and me with the impression that he would recommend to his colleagues in the government of Canada that more money should be made available to the Farm Credit Corporation, that more money should be made available to the individuals investing in farm credit and that there would be a tax incentive.

I asked Mr. Whelan when this would be known publicly. He could not give me any assurance. It seems to me I read something in the paper saying that two weeks from tomorrow there might just be a new federal budget. Let us hope the government of Canada sees the problems our farmers are facing. We have recognized them here in Ontario with an extra \$45 million, with 60 per cent of our budget going in direct subsidy to the farmers, as most members know.

Mr. Riddell: Supplementary, Mr. Speaker: Failing a government response to the farm community, my question is, what programs is the minister planning to assist the farmers here in the province? Is he planning programs similar to those instituted in practically every other province to assist their farmers?

Can he explain to the farm community here in Ontario how this government can find millions of dollars to assist the auto industry, to assist the pulp and paper industry, to create a white elephant such as Minaki Lodge, to buy a jet for the Premier to fly around in, to pay for all the ridiculous government advertising we see on television and to put out this kind of trash here telling people how to buy a winter coat, and yet

he cannot come up with one red cent to assist the farmers in this period of high interest rates, inflation, low yields—

Interjections.

Mr. Riddell: There are other farmers besides the beef farmers. What programs did he enunciate other than the program for the beef farmers? What is he going to do for the farmers?

Hon. Mr. Henderson: Mr. Speaker, it is easy to see why that party is over there; it is because of the denseness that exists within it.

This honourable member knows full well that we have acted. It is not a matter of promises with our party; we have acted as a party. We have put out \$45 million. How about the \$25 million we lend annually for tile drainage at eight per cent? How about the \$55 million annually in farm tax rebates? I could go on: the third grant for municipal drainage, building construction and what have you. The honourable member knows all this full well.

Mr. MacDonald: Supplementary, Mr. Speaker: If the minister knows nothing about the letter to the Premier on September 17, may I ask him a question about something he presumably does know about? Is it accurate that this minister made a survey of the banks to find out what they could do on the high interest rate problem—the focus of the question that is being put to him—and the banks told him, as they told Mr. MacEachen in Ottawa, that only one per cent or less of the people are bothered or concerned or facing a problem?

Is that the answer the minister got? If that is the answer he got, why is he sitting on that report? Why did we go through hours of estimates when he did not even tell us he had this information? Will he table that report so that we find out exactly what the banks say, since Eugene Whelan, the minister and everybody else think the banks should bleed a bit to help this situation?

Hon. Mr. Henderson: Mr. Speaker, the honourable member is as wrong as he usually is. This government has never suggested to the banks that they should be doing something. This government recognizes—

Mr. MacDonald: You're even behind the federal Liberals, and you know how far behind they are.

Hon. Mr. Henderson: Mr. Speaker, I had one

member of my staff—no royal commission, no big report—speak to the bankers to find out how many farmers out there are having—

Mr. MacDonald: Is the minister going to table the report?

Hon. Mr. Henderson: There is no report. It is a verbal report to me by my own staff.

Mr. MacDonald: Well, a verbal report is not worth the paper it's written on.

Hon. Mr. Henderson: If the member wants, I will table it right now.

Interjections.

Hon. Mr. Henderson: My own staff interviewed the banks, not the individual farmers, to find out the actual problem being faced by the farm people out there.

Interjections.

Hon. Mr. Henderson: I do not mind saying what I told the press, if it will help the honourable member. I told the press that the information the banks supplied us with is that about one per cent of the farmers out there—

Mr. MacDonald: Why didn't you tell us in estimates?

Hon. Mr. Henderson: The member never asked me. He was not interested.

About one per cent of the farmers out there could have real financial problems. That is what I told the press, Mr. Speaker, and there is no report.

3:10 p.m.

MILK PRICES

Mr. Swart: My question is to the Minister of Consumer and Commercial Relations. I assume the minister is aware that the price paid to the farmer for milk will increase by two cents a litre on November 1. I am also sure the minister is aware that in the past two or three increases to farmers, dairies and supermarkets have piggy-backed increases of their own that far exceeded what the farmers got. In fact, in the last two increases, the dairies and supermarkets got 8.75 cents while the farmer got only 6.25 cents.

If they follow that pattern this time, it will mean the price of a litre of milk will have increased by more than 30 per cent in less than 15 months. It has now been seven weeks since the announcement of the two-cent increase was made. Can the minister tell this House what the retail price is going to be on November 1 and what steps he has taken to ensure that once again the dairies do not apply their own excessive markup?

Hon. Mr. Walker: I thought the honourable member would be able to tell us the price in Buffalo today or something like that. I do not have the figure with respect to the retail price on November 1.

Mr. Swart: Surely that answer is not good enough. Does the minister not realize that all other provinces, with one or two exceptions, do exercise control over what the dairies charge? The retail price in Quebec is about five cents a litre less than it is here before our new markup takes effect. They have control over it.

Does the minister not realize that competition is fast disappearing? In 12 years, the number of dairy companies in Ontario has dropped from 160 to 35. Most cities have only one dairy and sometimes when there are two, as in the minister's own city of London, they are owned by one company. Silverwood owns both dairies there. Dairy profits are up tremendously. Dominion Dairies' were up 16.5 per cent last year, Becker Milk's were up 74 per cent in the last two years and Silverwood's were up 111 per cent in the last two years.

In view of this situation, will the minister now intervene, tell the dairies the markup on November 1 will be only the two cents to the farmer, do some investigation and permit only a markup that can be totally justified by the dairies and supermarkets at a later date?

Hon. Mr. Walker: I wonder if the honourable member could repeat his question.

Mr. Swart: I would be glad to. I am not usually accused of speaking so quietly that the minister could not hear my question.

I asked the minister whether he realized that all other provinces, with one or two exceptions, have some control over what dairies and supermarkets charge. Does he not realize that competition is fast decreasing in this province when the number of dairies has actually dropped from 160 to 35 in just 12 years? Does he not realize that profits of the dairies have been increasing tremendously? I will not repeat those figures, but in view of that situation, will the minister not intervene and tell the dairies that the markup on November 1 is to be only the two cents to the farmers? Will he do some investigation and permit only a markup by the dairies for their own purposes which can be totally justified?

Hon. Mr. Walker: I know the Minister of Agriculture and Food (Mr. Henderson) might want to rise in a supplementary response to the member's general assertions.

I would make a general comment about the

profits of the dairies. The member mentioned that Silverwood's profits have escalated and he mentioned Becker Milk. The money earned there is not on the basis of the dairy product but on the basis of the variety stores they have—in the case of Silverwood and in the case of Mac's. It might be more useful if the member were to go back and take a look at his figures.

Hon. Mr. Henderson: On a point of personal privilege, Mr. Speaker: I would like to correct the record. The honourable member is misleading the House. Taking the town of Barrie as an example, I have all the records here for 1977 to 1980. In 1977, a three-quart pack of milk in Barrie was \$1.62, in 1978 it was \$1.73, in 1979 it was \$1.72 and in 1980 it was \$1.89. In the four years it increased about 20 per cent. The only other comment I feel must be made at this time is that recently the Ontario Milk Marketing Board did a survey of the percentage the farmers received from the quart of milk one purchased.

Mr. Swart: On a point of order, Mr. Speaker: I am wondering under what parliamentary procedure two ministers are allowed to answer one question when a supplementary is not allowed on the question from the opposition side.

Mr. Speaker: He rose on a point of privilege to correct the record. He stated that clearly.

Mr. Martel: On a point of order, Mr. Speaker: If you will check Hansard, you will find that the Minister of Agriculture and Food said he was rising in his place because my colleague was misleading the House. I do not think that is parliamentary and I would ask him to withdraw it.

Hon. Mr. Henderson: Mr. Speaker, I was rising so these members would not misunderstand what had been said. If what is going in the microphone quotes them to say they were misleading the House, I did not want the members on this side to get the wrong interpretation and so I just want to clarify what I believe.

The final part of what I want to say is that farmers in Ontario this year get 64 per cent of any money that one pays for milk as a consumer. There is no other place in the world to reach that point.

Mr. Martel: On a point of order, Mr. Speaker: I listened carefully to the minister and maybe I missed it, but I do not know where he withdrew his comment that my colleague was misleading the House. Under the standing rules, neither the minister nor anyone else in this Legislature is

allowed to stand in his place and accuse another member of deliberately misleading the House. I asked you to ask the minister to withdraw his comments.

Hon. Mr. Henderson: On a point of order, Mr. Speaker: I would like to correct the record.

Mr. MacDonald: A point of order, Mr. Speaker: My supplementary question which was denied me deals specifically with the point he is dealing with, on which he got up for his so-called clarification.

Mr. Speaker: New question, the member for Kitchener-Wilmot.

FRANCOPHONE SCHOOLS

Mr. Sweeney: Mr. Speaker, I have a question for the Minister of Education. My question deals with the need for a francophone school in the Orleans section of Carleton county. Can the minister explain why this rapidly growing area has recently had four English schools built but not one francophone school, despite the fact two of these English schools have an enrolment capacity at the present time of only 53 per cent, while the two French schools to which these children are now being bused have capacities of 126 per cent and 119 per cent respectively.

Hon. Miss Stephenson: Mr. Speaker, the decision taken to assist in the development of new schools is based upon the recommendation of the school board and the examination of that recommendation by the regional office.

It is my understanding that the request that came through from the Carleton Board of Education specifically placed those schools that have been constructed in order of priority. The priority for this year, I believe, is the francophone school. It was on the advice of that school board, the examination of the demography of the area and the recommendation of the regional office that that funding was provided.

The allegations which the honourable member has made related to the occupancy of two of the schools within that board's jurisdiction are ones I have heard from only one other source and that is from a group of francophone parents who are attempting to pressure the Carleton board into building that school immediately.

I have asked the Carleton board and the regional office for verification of those figures. I do not know that they are correct at this point. Therefore, I think it would be unwise to utilize those figures in any public kind of forum.

3:20 p.m.

Mr. Sweeney: A supplementary, Mr. Speaker: Madam Minister, it is my understanding that the francophone school has been the number one priority of the Carleton board. It is simply saying that, given the population density in that area of francophone students, it is reasonable that one of those schools should be a francophone school, especially since it is the number one priority of that board.

Hon. Miss Stephenson: Mr. Speaker, I reiterate that the allocation of funding for the building of schools is granted on the basis of the recommendation and the prioritizing established by the board within the area. That is not done by the Ministry of Education. It has been on that basis that those schools were built.

Mr. Sweeney: But it is the number one priority.

Hon. Miss Stephenson: This year, not last year.

LUMBER COMPANY LAYOFFS

Mr. Laughren: Mr. Speaker, I have a question of the Minister of Labour. I wonder whether he is aware of a situation that exists near the small community of Chapleau, in which two lumber companies merged. Shortly after they merged, the employees of one of the companies were told they would have jobs as long as there were trees in the bush. I was up in the bush this weekend, Mr. Speaker, and there are many trees there, but out of the 50 to 100 employees, only 12 have jobs left. Those who were transferred to the new company were demoted and paid \$1 an hour less. They were given a 30-day eviction notice from their homes.

I am wondering whether the minister is going to allow this kind of practice to occur, particularly in northern Ontario, in a small community and where it involves companies that have no unions to represent the workers.

Hon. Mr. Elgie: Mr. Speaker, I am not aware of the particulars the honourable member is talking about. If he will give me the details, I will be glad to review them and report to the House.

Mr. Laughren: Could I have a final supplementary, Mr. Speaker?

Mr. Speaker: No. The time for oral questions has expired.

MOTION

WITHDRAWAL OF BILL 52

Hon. Mr. Snow moved that Bill 52, An Act to amend the Highway Traffic Act, be withdrawn.

Motion agreed to.

INTRODUCTION OF BILL

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved, seconded by Hon. Mr. Welch, first reading of Bill 150, An Act to amend the Highway Traffic Act.

Motion agreed to.

ORDERS OF THE DAY

RETAIL SALES TAX AMENDMENT ACT

Mr. Williams, on behalf of Hon. Mr. Ashe, moved second reading of Bill 80, An Act to amend the Retail Sales Tax Act.

Mr. Speaker: Does the member have an opening statement?

Mr. Williams: I have a brief opening statement, Mr. Speaker. This bill contains an amendment to the Retail Sales Tax Act that will implement the proposal by the Treasurer (Mr. F. S. Miller) in his budget of May 19, 1981, to exempt kits sold for the conversion of gasoline or diesel-powered vehicles into vehicles powered exclusively by alternative fuels.

As well, Mr. Speaker, we have taken this opportunity to introduce a number of administrative changes to the act, which I think will improve understanding and simplify procedures for the taxpayer. The bill also provides clarification for exemptions dealing with magazines and the construction of real property by a university, school or public hospital, and also for the refund process involved therein. The procedure for filing notices of objection has also been simplified.

Mr. Haggerty: Mr. Speaker, I want to add a few remarks on Bill 80, An Act to amend the Retail Sales Tax Act, and to say that we on this side in the Liberal Party will be supporting the bill in principle. I want to indicate to the honourable members on the other side that the Liberal Party has consistently advocated an energy policy based on conservation and the development of alternative and renewable energy resources.

We have also recognized the need to cushion individual consumers from the effects of drastic and painful price hikes. Our commitment to conservation and renewable energy has been set out in our comprehensive report on fuel alcohol and energy alternatives for Ontario in 1980, as well as our proposals that Ontario Hydro incorporate the life-line principle to replace the existing declining-block-rate system.

There is one question I want to direct to the parliamentary assistant that relates to the conversion job for a person who wants to convert from gasoline to propane gas, for example. Sometimes the kits may serve a dual purpose. A person may adapt a certain type of kit whereby he can switch from gasoline to propane as the need requires. In some places in Ontario, one may not be able to get propane while gasoline is available.

I notice, and in particular my colleague the member for Niagara Falls (Mr. Kerrio) has noticed, that the Niagara Regional Police have converted a number of their vehicles to propane gas and they have been very successful in energy conservation. This has been shown particularly by the Niagara police force. I want to commend their steps in moving in that direction.

There are other areas. We looked at natural gas, which can be used in conversions for use in automobiles. It can be used in both instances. By using a switch on a certain type of valve, energy resources can be provided from both containers: the gasoline tank and the tank for the natural gas, which may be pressurized. In this area, does this include the retail sales tax? Does the sales tax not apply?

Mr. Williams: Mr. Speaker, I am not sure if I am entirely clear as to the honourable member's question. Was the question whether a conversion kit would be exempt as well as the cost of the installation of the components?

The Acting Speaker (Mr. Cousens): Is the member for Oriole (Mr. Williams) rising on a point of order? You will have a chance to respond to the speakers after they have all had their opportunities.

Mr. Williams: Mr. Speaker, It was my intention to do so but it seemed the member for Erie (Mr. Haggerty) was seeking a clarification at this point. I will hold that until later. I will perhaps respond to that in greater detail later.

The Acting Speaker: When you respond to the members speaking on the bill, you can do it all at once.

Mr. Stokes: Mr. Speaker, I just want to say that we will be supporting the bill.

Mr. Nixon: Mr. Speaker, I understand there are a number of gasoline-powered automobiles that have been converted to use other fuels of the type covered in the section, but that the gasoline capability has been maintained because some of these fuels cannot be readily purchased and put in a car. As long as they can run on a cheaper fuel, the owner has the advantage of it,

of course, and will use it. On a trip into an area without these fuels, he maintains the capability of a changeover to gasoline, which seems to be sensible.

I gather the bill will not permit the rebate of the tax if the automobile or the vehicle uses both fuels. I suggest that might really be a detriment to the utilization of the opportunity by people who might want to convert and maintain the gasoline capability as well. It is just one of the things that occurred to me when I read the bill, and perhaps the minister might respond to that point when he speaks.

3:30 p.m.

Mr. Charlton: Mr. Speaker, my comments on this bill will not be too lengthy, but I thought it was appropriate that I make a few comments.

Mr. Nixon: Well, the honourable member's party has already contributed to the debate.

Mr. Charlton: The party may have, but I have not.

I thought at least one of the provisions of this bill was particularly interesting in the context of a debate we had in this Legislature some year and a half ago around the 1980 budget and the changes to the Retail Sales Tax Act that emanated from that budget. These were the provisions that set out an exemption from the Retail Sales Tax Act for vehicles "built for the use of" and not, as set out in this bill, for vehicles "converted to." That whole debate ranged around the question of conservation and the fuel situation in this country.

We took the position when discussing that bill a year and a half ago that the exemption only for vehicles built for the use of natural gas, methanol, et cetera, as opposed to gasoline was a joke; that those vehicles were just not available or at least were not readily or widely available in Ontario.

We argued both in this House and through an exchange of correspondence with the then Minister of Revenue that this provision was a joke, that it just did not enable the people of Ontario to take advantage of the conservation techniques that existed.

We argued that the exemption should include the ability to convert existing vehicles and that the exemption should apply to whatever materials were required to make the conversion in order to be able to conserve fuels.

We were told at the time by the government that our approach was just not appropriate, that it was just too hard to police.

Well, it is very nice to see and very heartening

to see that the debate a year and a half ago and the subsequent exchange of correspondence and specific examples with the Minister of Revenue have finally led to some rationality on the other side of the House, to some understanding of the real needs for fuel conservation.

Section 2 of this bill contains exactly the kinds of exemptions we were asking for a year and a half ago, exactly the kinds of exemptions we talked about as being the only conservation-intended exemptions that the people of Ontario could easily take advantage of in any kind of effort to make conservation in their personal transportation a reality.

It has been a long process over the last year and a half. It is nice to be able to come from a position where the government is saying, "You are irresponsible for the things you suggest," to a position where the government has accepted exactly what one suggested in the first place.

It is nice to understand clearly that one can be yelled at and branded and yet, if one continues the argument and provides specific examples to point out the error of their ways, from time to time one can influence the heavy-handed and insensitive thinking of the government of this province.

It is a useful process. It would be much more useful and much more acceptable if we did not have to go through needless delays to achieve these kinds of logical understandings in a tax like the Retail Sales Tax Act.

There are a number of areas where we have suggested changes in this act for exemptions to encourage conservation, safety and a range of other items. I recall that, during the same debate a year and a half ago, when my colleague the member for Beaches-Woodbine (Ms. Bryden) attempted to get up and discuss an exemption that was not contained in the act, and she was ruled out of order by the Speaker.

But there is a rather significant list of items or areas where exemptions should be extended or at least altered. For example, there is the question of exemptions on children's clothing by size as opposed to age. This creates some really serious problems in the whole exemption process, where one has oversized children who are no longer able to get the exemption and undersized adults who can take advantage of exemptions that were never intended for their benefit.

Interjection.

Mr. Charlton: The member for Algoma (Mr. Wildman) just suggested that his wife does that—through no fault of her own, of course; it

just happens because of the size of the clothes she wears. She is not asked to pay the tax or to sign any affidavit as to her age; she simply buys a size that fits her, and she is exempt because of her size. This is certainly ridiculous: in fact, it is reverse discrimination against those of us who belong to the short part of the world.

However, the whole point of this discussion revolves around exemptions and whether the approach this government has taken to exemptions is logical or whether it has just taken the route that it views administratively as the easiest and most expedient. Obviously the latter is true rather than the former. The case in point about children's clothing is an example of that: they took that route because it was the administratively easy route.

The government took the same route in relation to exemptions on energy conservation in private vehicles a year and a half ago. It was easier to administer than allowing exemptions on conversions, because there are all kinds of different ways to convert vehicles, and they just felt it would be a little difficult for them to keep on top of.

I think that speaks to the whole need on the part of the Ministry of Revenue to sit down and think about why we want exemptions in the first place and what the exemptions are intended to do to serve the people of Ontario.

If we are going to have exemptions to serve particular situations, then they have to effectively serve that situation and not the administrative needs of the Ministry of Revenue necessarily. If we have to go into a little more difficult process to provide some exemptions, so be it if this House has decided that the exemption is worth it to serve a particular economic, political and/or social need.

In the case of this exemption over the conversion of motor vehicles, it is basically a political and economic need, but the way we are now dealing with it is the only logical approach as opposed to the approach that was taken a year and a half ago, an approach that provided no reality except for a very small proportion of the population—half or one per cent—who could find what the act called for, because they just didn't exist anywhere.

It is a bill that we can support, but I felt it necessary to make that point.

3:40 p.m.

Just as one last illustration of the point we are trying to make in terms of exemptions and how exemptions are approached and handled by the ministry, my colleague the member for

Beaches-Woodbine raised the matter related to restraining devices for youngsters in automobiles.

I cannot think of anybody in this House who does not want to see family automobiles equipped with child restraints that are effective and useful in giving children safe travel in the family car. We talked about an exemption for these devices, and yet we see nothing from the government, even though on repeated occasions it has expressed an interest in providing that kind of safety.

In the case of retail sales tax, it is a question of trying to use the exemption process under this tax to really fulfil a purpose when a purpose or need is perceived, as opposed to trying to structure the exemptions to suit the administrative approach of the Ministry of Revenue in making the process easy for that ministry.

Mr. Kerrio: Mr. Speaker, I have just a brief comment to make as it relates to the bill; it is really a bit of an extension of the question of the member for Brant-Oxford-Norfolk about the part of the bill that says the vehicle should operate exclusively on an alternative fuel.

This is only coming about because of the difficulty of meeting the increases in oil and those fuels. Very often in our society we do things to combat a certain situation. The government is using good judgement here in deciding that we should encourage those people to use alternative fuels, but the part that says "exclusively" leaves out many of those people in this nation who are entrepreneurs, or innovators, if you will.

There are certain fuels that will not burn exclusively in an engine. Those fuels that require a startup on gasoline or some other fuel in order to use that viable alternative source are brought into question under this bill. The minister, through his assistant, would be well advised to look at that part of the bill. It would certainly encourage those entrepreneurs and innovators to come up with burning alternative fuels if it did not have the exclusive part of the bill so clearly defined in that manner.

Ms. Bryden: Mr. Speaker, I want to underline what my colleague the member for Hamilton Mountain said, which is that the sales tax bill should be used for social purposes as well as for revenue purposes. This bill is being used in that way by bringing in a special exemption for conservation and switching to alternative fuels.

With regard to some of the other exemptions he mentioned, I would like to remind the minister that on Thursday the House passed a

motion in favour of bringing in legislation requiring child restraints in automobiles to be mandatory. Since that was passed almost unanimously by the House, I hope that we can expect legislation of that sort very soon and that the Minister of Revenue will then consider a sales tax exemption for those devices when they do become mandatory so that the burden on parents will be somewhat lessened.

Mr. Williams: Mr. Speaker, if I might respond to the specific questions posed by a number of members, it appears the main interest in the bill is its main feature dealing with the tax exemption that will be available for the purchase of these conversion kits to convert vehicles to the use of fuels other than gasoline or diesel fuel.

The members may note that the wording of the amendment provides that "tangible personal property sold as a conversion kit to be used to convert any vehicle powered by a gasoline or diesel engine into a vehicle that meets all of the requirements for exemption under paragraph 14" is of some significance when it refers specifically to paragraph 14. It is paragraph 11b that clearly spells out the conditions under which this new section will come into play.

First and foremost, of course, the vehicle in question must be required to be licensed under the Highway Traffic Act. In coming to the question raised by the member for Erie (Mr. Haggerty) and the member for Brant-Oxford-Norfolk (Mr. Nixon), the second condition is that the vehicle "be operated exclusively on electricity or on fuel from ethyl alcohol, methyl alcohol, natural gas or manufactured gas" and that the vehicle "not be capable of being operated on gasoline or diesel fuel."

The existing section to which this amendment will relate makes it quite clear. The member for Erie and the member for Brant-Oxford-Norfolk pointed out in their questioning that they questioned the wisdom of making sure the conversion kit was exclusive in nature and that, in effect, one could only convert one way. That is the intent of the section. There will not be a dual-purpose feature in the kits that would be subject to the exemption that is proposed. In answer to the member for Erie, the exemption is for single-purpose kits only.

I know there have been some recent developments, not only in the past year or the past few months but also in recent weeks, I guess, where some publicity has been given to a new technology that has been developed with a converter unit that will allow virtually any

motor vehicle to be converted from one fuel to another by the flick of a switch. This particular amendment does not envisage that type of usage, which is strictly in an experimental stage.

The purpose of the amendment is to encourage people who have vehicles, whether in the industrial sector, the commercial sector or even for personal use, to convert and stay converted to the use of off-oil fuel. To allow it to be interchangeable would in large measure defeat the real purpose of the exercise.

So far, the research and development has indicated that there is much advantage to be gained, not only from reducing the dependence on and use of gas and diesel fuel but also in the way of reducing the operating costs of these vehicles that are converted to the off-oil alternative fuel.

While there is a great distance to go—and that is conceded—in developing these technologies, nevertheless this government has taken great initiatives in that direction. I think it might be interesting for the members to be aware of some of these developments, which I would like to expand on for a few moments, if I might.

3:50 p.m.

The initiatives that are taken with this legislation really reflect the commitments that were made in the 1980 budget and, in more recent times, in the development of our new five-year program under the Board of Industrial Leadership and Development initiatives. One of the main features of the BILD program that caught the attention, fancy and support of the public at large during the recent election campaign and the period subsequent to it was that which addressed itself to alternative transportation fuels.

I remind members of the House that at that time it was the announced intention of the government to initiate a five-year, \$75-million alternative transportation fuel program. This amending legislation is simply one small, integral part of that program, which is being put in place as surely and quickly as possible. The program is investigating opportunities to be made with the use of not only propane but also ethanol, methanol, electricity and hydrogen.

There has been considerable debate in this House on previous occasions with regard to the use of these alternative fuels. The one that is being given immediate attention at this time and has caught the attention of the government and industry at large, of course, is the experimentation with the use of propane fuel. As other speakers mentioned earlier in the debate on the

bill, there has been excellent co-operation between the government and the private sector. Through the initiatives of the Ministry of Energy, the Drive Propane program is moving ahead at a considerable pace. I would like to touch on that for a few moments, if I could.

On the basis of the information provided by the energy management unit of the Ministry of Transportation and Communications, it is my understanding that there are today about 2,500 licensed vehicles in Ontario that are operated exclusively on propane. It is also estimated that there are 1,000 vehicles, both new and used, that would have obtained the benefit of the sales tax exemption during the period April 1980 to April 1981, amounting to an approximate revenue loss of about \$1 million so far. We are not complaining about that, I can assure you, Mr. Speaker, because of the benefits that flow from the other side.

An average of about \$1,000 in retail sales tax has been saved on the purchase of vehicles that have been outfitted with or converted to propane. We certainly think this revenue loss is secondary to the main purpose, which is to encourage the public at large to develop wider use and support of propane gas.

Mr. Kerrio: Will the member respond to my question?

Mr. Williams: I will be coming to it shortly.

It is interesting to note—and I think the impatient member for Niagara Falls (Mr. Kerrio) will also find this of interest—that the Ministry of Transportation and Communications has optimistically forecast that by 1985 there will be a targeted total of about 40,000 propane-operated vehicles in Ontario.

This forecast is dependent upon the advancement of technology and easy access to distribution outlets. These are the two main features that will bring that forecast to fruition. It is most important that it be understood there is still some advancement to be made in the technology. Of course, a part of the success will be dependent on a distribution system throughout the province.

The Ministry of Energy, as I mentioned a few moments ago, embarked on a very ambitious program. At the present time, there are a number of different companies involved in the Drive Propane demonstration. These are organizations within the private sector, companies in London, Ontario, Hamilton, Scarborough, North Bay, Cambridge and Toronto, of course, and involving large companies, such as Bell Canada, small cab companies and the Ministry of Transportation and Communications itself.

The ministry now has 27 propane-powered vehicles in its fleet around the province. Seven of these are in Thunder Bay, eight in Stratford, five in North Bay and seven in the Toronto area. The vehicles include a mixture of crew carriers, five-man camp pickups, half-ton express pickups, three-quarter and half-ton vans assigned to patrol work, transportation of work and survey crews, as well as a variety of other duties.

Twenty of the vehicles have been on the road since October. These are vehicles that were originally running on gasoline and had anywhere from 20,000 to 40,000 kilometres on the odometer when converted to propane. The remaining seven vehicles were already set up specially for propane when shipped to MTC in January.

While the cost of converting the first 20 vehicles was about \$1,500 each, nevertheless the savings in the cost of fuel should pay for the conversion after about 30,000 miles. So the advantages will come back and will far outweigh the initial cost factors. This is what is encouraging companies in the private sector to get involved.

One of the most ambitious companies involved was Work Wear Corporation of Canada. It has vehicles that have been operating for some time now and was perhaps the earliest into the experimentation project. It has been getting increased mileage on its vehicles, from between 135,000 to 150,000 kilometres versus about 90,000 kilometres on gasoline, which is a very significant and marked improvement in the life of the vehicle, and the engines in particular.

At this time, I guess there are more than 200 vehicles in the demonstration program, including the MTC vehicles I have referred to, all of which are providing very useful technology and information that is helping us to further develop our potential and capacity in this field.

4 p.m.

The fact of the matter, however, is that there is hope that in the future we will be able to make a gigantic step forward when we are able to develop commercially the use of hydrogen fuel in transportation. As the members are aware, on Friday last week the Minister of Energy (Mr. Welch) rose in the House to table the initial report on hydrogen. That will become one of the most significant studies that has been undertaken and is bringing us to a whole new era in the energy field.

Mr. Kerrio: Electrolysis?

Mr. Williams: That is the technique that will be used, of course, making use of our nuclear power facilities within the province. It has been recognized that one of the main areas of success in that area will be in the use of hydrogen as a transportation fuel. The significance of it is something that one should not overlook when we consider that Ontario uses about one third of the crude oil consumed in the whole of Canada. About one half of that—that is, a sixth of all the transportation fuel in Canada—is used in transportation in this province; so it is very important that we move in this direction as quickly as possible.

In the interim period, these other substitute fuels—propane, which I have been talking about, electricity and the short-term use of ethanol and methanol—will be fuels that will have a significant success and will permit us to start reducing this heavy reliance on oil, whether it is domestic or imported. That really is what this is all about.

I do not know how many members have had an opportunity to study the synopsis of the hydrogen report that was issued in conjunction with the minister's statement in the House on Friday, but it certainly is most encouraging. It indicates there is a great future for the use of hydrogen in the long term.

There is a five-year, \$6.2-million contract out to develop hydrogen storage and fuel systems that will be used to equip two transit buses that are being developed by the ministry in conjunction with the Urban Transportation Development Corporation. That in itself is a most important and significant step that is being taken. It will help to bring about a proven commercial viability for the use of hydrogen in the movement of heavy transportation vehicles.

I have here an update on the initiatives that the Ministry of Transportation and Communications is taking with regard to the outfitting of these two buses. The UTDC will manage the program, as I indicated, with the Toronto Area Transit Operating Authority participating in the development to ensure that the vehicles will meet the needs of the users, which is first and foremost.

As the member for Niagara Falls indicated, the hydrogen will be produced either from natural gas or, more likely, through the electrolysis process, allowing for the fact that we have so much in the way of electrical energy available to us. Indeed, unbeknownst to the members of the opposition, that is one reason the capacity of the Bruce plant was brought to

what it is, and its potential will be used for hydrogen generation and to be able to provide fuel to fuel the transportation needs of our province.

In any event, these alternatives are most appealing. Hydrogen can be used to fuel existing internal combustion engines with relatively minor modifications. Yet, it has to be conceded, further technology must still be developed. One of the biggest problems is the storage factor. That is probably what has inhibited a more aggressive use and development of hydrogen as a fuel, particularly in private motor vehicles. There is greater storage capacity available on larger commercial vehicles, and that is why it will probably develop in that field before we find ourselves using it in our own private vehicles. Based on the advances being made and the speed at which we are developing, by the end of the century that could well be the fuel by which the wheels of industry and commerce—as well as pleasure—will move in this country.

The exemption is to be for the conversion kits only. It is not extended to repair parts that may become available as the technology is developed. That has not become a factor yet. At this time it appears there is a total package kit available to which these exemptions will apply. The usage is not widespread enough at present to see individual parts being made available across the counter in automobile distribution centres, whether private or whatever. That is something we will have to address as we go along. For the time being, the exemption is limited to the conversion kits, and that will be a one-way conversion. It will not permit the interchangeable usage the member for Brant-Oxford-Norfolk (Mr. Nixon) was inquiring about.

The member for Hamilton Mountain (Mr. Charlton) made reference to an issue that is not really before us this afternoon. However, in view of the fact he found a way to expand upon his support for this bill in talking to the other progressive aspects like the seatbelt legislation, I point out to him that support was given to my colleague's resolution in the House last Thursday with regard to seatbelt restraint systems for younger persons under the age of six.

The question was raised by the member for Hamilton Mountain and, I believe, the member for Beaches-Woodbine (Ms. Bryden) as to whether to provide incentives in that direction—whether it would not be advisable to provide a sales tax exemption for the purchase of those types of restraint systems. I certainly

think it is a matter worthy of further consideration. I will convey the members' thoughts on that matter to the minister. It is a matter that has not escaped our attention, and may well be given favourable consideration in the future. Certainly, it will be taken under advisement. For the purposes of the bill today, however, we will stick to revenue matters as they relate to the encouragement of the public at large to convert to these alternative fuels.

The future is bright in this area. This incentive, not only of not having to pay the road fuel tax on these alternative fuels but of having this sales tax exemption, is a significant incentive to the public at large. The Ministry of Energy has been most encouraged by the public response.

4:10 p.m.

I believe that highlights the purpose and intent of the amending legislation we have before us this afternoon as it relates to that part of the bill. There are other aspects of it which I would like to address at another time, but I believe time will not permit me this afternoon to speak of other features I would like to bring to the attention of the members. At this time I will simply adjourn the debate with regard to this bill.

Mr. Kerrio: Mr. Speaker, on a point of order before we adjourn the debate: The parliamentary assistant specifically said he would answer my question. I waited so he would and I wonder if he intends to.

Mr. Williams: Mr. Speaker, it was my understanding I had addressed the concerns expressed by the member for Niagara Falls dealing with the exclusivity of using alternative fuels which I think was incorporated in my earlier remarks.

The Acting Speaker: The motion is now before the House that the debate be adjourned.

Mr. Kerrio: He hasn't responded. He didn't answer my question.

The Acting Speaker: The member has interjected and the parliamentary assistant has responded to it. I regret—

Mr. Kerrio: It is not that important. It is important to me but maybe not to those putting the bill.

The Acting Speaker: Is it the pleasure of the House that the motion to adjourn the debate carry?

On motion by Mr. Williams, the debate was adjourned.

SMALL BUSINESS DEVELOPMENT CORPORATIONS AMENDMENT ACT

Mr. Jones, on behalf of Hon. F. S. Miller, moved second reading of Bill 71, An Act to amend the Small Business Development Corporations Act, 1979.

Mr. Jones: Mr. Speaker, I have a few brief comments. The amendments proposed in Bill 71 are by and large the results of a review of the small business development corporations that has taken place.

Lessons have been learned from this successful program, which has been in place some two years. The government feels these lessons ought to be addressed by legislation to plug a few holes, to correct certain specific opportunities for abuses that we found could exist. Of course, as we address ourselves to the design and make some changes, the program is in a constant state of flux.

One of the major changes as set out in the budget was the proposal that the equity capital maximum be increased from \$5 million to \$10 million with respect to public corporations. That was primarily a response to public companies which had argued that the \$5 million limit was unrealistic in consideration of the costs associated with management-run companies.

Where we found people were prepared to become involved through this program and take advantage of it to bring to the private sector much-needed risk capital for small businesses, we often found that, when that source was identified, the \$5 million limit unfortunately worked to the detriment of the program because there were people prepared to go beyond that amount.

The other types of amendments are outlined in the explanatory notes. I would be happy to hear what my colleagues may have to say and I would be happy to respond to any questions the members might have.

Mr. Peterson: Mr. Speaker, I am happy to address a few remarks to these changes. Since the original inception of this legislation, we have become much older and much wiser about some of the structural problems inherent in it. I refer to a specific case in London, Ontario, involving the so-called Sylvester group that took down a group of people under the aegis of this legislation for close to \$10 million. I do not see that this legislation addresses any of those problems very specifically.

This problem has become a great embarrassment to the Ministry of Revenue, to the

Ontario Securities Commission and to a variety of people. It is probably inherent sometimes when there is the so-called easy money of a government grant program. It looks on the surface as if it is going to be a gift from heaven. People do not fully understand the ramifications, the costs involved or what their real obligations are.

This gift from the Ontario government of 30 per cent of their investment was used to—I think the proper word is—dupe a bunch of investors, about 100 people in London. About \$10 million or \$3 million of the taxpayers' money was involved in that deal. It does not look as if there is going to be any recovery whatsoever. In fact, they were granted a special exemption on the take-out of their investors' position by District Trust.

What I am saying to the Treasurer sounds confused, I know. I should explain to him some of the details because it brings into issue some of the principles underlying this legislation. I want to take him back to the original debate on this bill. About two years ago, it was a pioneering piece of legislation; nobody knew for sure if would work or not. We took the view, "Let's give it a try," but we had a number of specific objections. One of the things we thought at that time and pointed out to the Treasurer was that it was undercapitalized. If he was looking for large pools of mobile investment capital—high-risk capital, venture capital, high-velocity capital or whatever he wants to call it—then the \$5 million was too low. So we recommended a higher amount.

As I understand the thrust, the intention of this legislation was to create pools of capital to search out various high-risk endeavours; to provide financing for ventures that would not be financed through the ordinary devices available. A multiplicity of government programs, as well as institutional programs, are available to finance various kinds of ventures, particularly so-called high-risk, high-technology ventures. That is why it is restricted to processing, manufacturing, tourism and whatever.

What we have discovered with this legislation is that it has become an alternative source of financing. A lot of the ventures that have been built under the Small Business Development Corporation program would probably have been built anyway. The sharpies—as they always do with a piece of legislation—get involved and figure how they can work it to their advantage. Of course, that is certainly their prerogative. Under the old Duke of Wellington rules, anyone is entitled to take advantage of any tax legisla-

tion to their advantage, and one would expect that.

But we found that probably a number of the purposes of this legislation were not being served. A lot of single-application SBDCs were just used as alternative financing mechanisms for projects that would probably have gone ahead anyway. We did not really see a lot of investments in the so-called high-technology, high-risk things.

I think if we look at the number of programs that have been financed, we will see that our original suspicions were correct and that has not been rectified very much. The great majority of the approved applications were private, not public. The government, at that point, wanted more SBDCs formed to create the high-velocity pools of venture capital. They are trying to rectify that here by moving the capitalization from \$5,000 to \$10,000. My figures might be a trifle out of date. As I understand it, there were only three public SBDCs registered.

Mr. Jones: There are more than that now.

Mr. Peterson: There may be more than that now. I do not know how many of them have made so-called eligible investments—that is, money going through the second stage. In the first stage, of course, it goes from the investor to the SBDC and then through to the so-called eligible investment.

4:20 p.m.

The original thought was each SBDC would invest in a number of eligible investments and the so-called insurance principle would apply. They might make one or two bad investments but would presumably make two or three good ones and hope the whole thing would wash out, particularly with the very high contribution from the Ontario taxpayer of 30 per cent at the point at which the eligible investments were made.

At the beginning there were not a lot of public companies formed to do these kinds of investments. One I think was started by Mr. Wayne Beach. As I recall, the name was Aurelian, out of Toronto, and that was to be a public venture capital company. I understand it has closed down and has been deregistered. He could not find enough so-called eligible investments. He is a very responsible lawyer, I believe, who understands the marketplace very well. We had a lot of capital looking for places to go and there were not enough eligible investments into which to put it, in the judgement of these people. Finally, I understand that company was

deregistered. In order to protect their own backside, in order to justify their legislation, the government encouraged people to create public companies in order to invest in a number of so-called eligible investments.

That brings us to one James Sylvester, an insurance salesman from London, Ontario, who saw this legislation and said, "My, isn't this a wonderful way to raise money." I am told he was encouraged by ministry officials. People came to visit him and said, "Mr. Sylvester, you are a wonderful fellow. You are the only one using this legislation properly, the way it was intended to be used, creating a large pool of capital to invest in a multiplicity of investments."

His problem was he had all this dough coming in and did not know what to do with it. He searched frantically for a number of investments into which to put his money. At the same time he set up two small business development corporations. He set up another investment corporation that was not really investing in small business development corporations. It was not really a small business development corporation but its prospectus with the Ontario Securities Commission had investors invest in both of his corporations—the SBDC as well as the nonSBDC—to raise money and invest in all this variety of investments.

It looked terribly attractive to a number of people. Mr. Sylvester had sold a great deal of insurance to a lot of people in London. He went into London and raised about \$10 million—primarily from doctors but from other professionals too. I understand there were about 73 doctors involved. My figures may be a little bit off. He took them down to a local trust company and persuaded them to sign notes. Very few of these people actually put up cash. Some used borrowed RRSPs, a number of them took cash or borrowed the money—\$100,000, \$200,000, \$300,000. Some of them put up collateral mortgages on their houses or cottages and some of them just used their signatures. There are not many doctors in this province whose signatures are not worth \$100,000 today, given the high cash-flow nature of the business they are in.

They then found he was sitting with about \$10 million in these various companies and was frantically looking for eligible investments. He went through a number of them. There was a great opening for Arcson Stove Works in London, projected to employ 100 people at the end of the year. Now, if that company is not closed up, it is functioning with a subsistence staff and not doing anything of any particular merit.

It invested in an insurance brokerage firm. One of the companies bought his own insurance company. Another company bought a travel agency and it made an investment in a company called Fuzz Puppies. Fuzz Puppies are hairy Kleenex box covers that come in a variety of hair colours: chartreuse, fluorescent or white, I am told. They come in two sizes, both regular and boutique, I am told. Someone told me that there was \$1,800,000 worth of those things sitting in a warehouse in Atlanta, Georgia, that has never got off the ground.

There were a variety of other investments—a hotel in Goderich, Ontario, and a number of other things, all of which reveal to me the pressure Mr. Sylvester, the so-called promoter of these public SBDCs, was under to find some place to invest the money. Then he could go back to the investors with their cheques for 30 per cent from the Ontario government and say, “Look, isn’t this wonderful? You have given me \$100,000 and here I am back to you two months later with a cheque for \$30,000. Have you ever seen such a return on your investment?” They would not realize, of course, they still had to pay the full \$100,000 back to the various institutions where they borrowed the money.

Some of them paid down their loans; some of them did not. Some of them used it for other kinds of purchases. But it still left the majority of these people with the notes compounding interest at the 20 per cent level, and that is a pretty tough bite for anybody to take on at one time.

In the course of selling this to various people he took them on a junket to Nassau because they were going to be involved in a time-sharing program. He spent \$250,000 on a weekend with a number of these various investors in Nassau looking at the time-sharing proposition there and they all thought, “Aren’t we proud to be involved with such a progressive entrepreneur?” Someone also told me he was handing back the Ontario government cheques on the plane and saying, “This is what your benevolent government is doing for you.”

I am troubled by what happened in London, Ontario, but it is one of the abuses legislation of this type leads to. My friend, the Minister of the Revenue, is very familiar with what I am talking about. He and his officials are terribly embarrassed about it. He has not been at all forthcoming on the information with me when he has been asked for it many times in this House. He knows what I am talking about is absolutely right.

I am not sure any of the amendments in this

act are going to assist with this situation. I think the regulatory authorities of this province were very lax in the Sylvester case. They gave their approval—perhaps not explicit, but implicit—to these kinds of goings-on. There were no decent financial records. No meetings were being held. Cheques were being kited from various companies to various companies. It took a lot of consultants to come in and try to sort the situation out. Eventually the trust company bailed them out. It bought out the original investors at 35 cents on the dollar. That means each investor took a loss of 65 cents on the dollar ex this 30 per cent rebate from the Ontario government. Some of them applied it to their loans and some did not.

But now I gather the trust company has received a special exemption from the Ministry of Revenue to take over all of these eligible investments of all of these companies, none of which, to the best of my knowledge, is functioning at all—at least if it is it would be in a very decrepit state. It appears there is very little chance of ever redeeming any real assets out of that great boondoggle. I hope that is not the case. There may be some salvage value on some of these assets, but no one knows that at this point.

This is a terrible tragedy for various individuals. Sometimes people do not bleed for doctors, but there were other people besides doctors who took out notes, who now have second and third mortgages and are in terribly embarrassing positions. They thought they were getting something—perhaps did not fully understand what they were getting. One of the things a lot of people do not understand about this legislation is that when the SBDC is wound up or changed in status or function the money is repayable out of escrowed money presumably in the SBDC or in the eligible assets. It is really a tax deferral device as opposed to a tax avoidance device.

I gather special provisions were made for these various people. I understand the Ontario government agreed not to take back the \$3 million they were legally entitled to. Rather than force the investors to pay them back or force the SBDCs to pay them back, the government, to avoid embarrassment to themselves because of its lax regulatory arm on this matter, decided to exempt them. It is something that has passed without a lot of comment.

4:30 p.m.

One of the things that bothers me is what it has done to a number of people’s lives. I know a number of doctors who were obliged to con-

sider bankruptcy, or at least moving out of the jurisdiction. It was a terribly embarrassing thing to a number of people. They wish they had never met Mr. Sylvester.

But we have to make very sure today that there are no other Mr. Sylvesters. I do not suggest for a minute he was involved in any fraud or that he squirreled the money away in a Swiss bank account; that is not the suggestion here. It was strictly a case of a private market response to a so-called gift or freebie from the government—the perversion and greed that comes therefrom and the concomitant ability of a number of people to take advantage of that, not fully understanding what was involved.

Unless it can be proved to me that this legislation has encouraged some ventures that would not have been financed otherwise I am not sure we do not have to take a very serious look at it in toto and say that perhaps it is not serving the purposes it was created to serve. As I said at the beginning, I think a lot of the things financed under this legislation would have been done anyway. It has yet to be proved to me this legislation has prompted any new ventures. We must make sure we do not get into another Sylvester situation anywhere else in this province, because it could happen.

I would like to see this government make a far tighter set of regulations. I would like to make sure that there are some very tight rules imposed on the reporting aspects of the various eligible investments. I think the Ontario Securities Commission should watch very carefully. I have read the prospectuses. I am not suggesting they were asleep at the switch in the original stage, but certainly down the line it appears that far more could have been done by the Ontario government.

When that cheque for \$30,000, signed by the Premier (Mr. Davis) or the Treasurer (Mr. F. S. Miller) or whoever signs it, comes back to that person he is clearly under the impression that was the first return on his investment. It is pretty heady stuff when all one does is get cash back. One takes a loan, never puts out any money, lets the interest compound at the bank. Then one gets back a cheque payable to him personally for \$30,000, or whatever his share is. One gets the impression money grows on trees, particularly if one is not a sophisticated investor and is not apprised of the fact that the money has to be repaid—that is until they are actually knocking at the door saying, “We want that money back.”

I am very troubled by this situation in London, and I do not think the government has

addressed it here. We were certainly expecting reports on this from the Minister of Revenue (Mr. Ashe), who is always hiding behind answers such as “We are going to have an investigation,” or “We are looking at it,” or “We are trying to work something out,” or “We are having meetings; don’t foul up the works.” It has probably been resolved now as well as it can be resolved. I do not know how many millions of dollars have been lost by both the taxpayers and individual investors, but it appears there is not very much salvage. It is a very sad situation.

When I look at the harm done to individuals and to institutions by this legislation and I try to find the good it has done—good that would not have been done without the legislation—I am not sure it has accomplished all that much. The government will have to stand up and prove it to me. As I said before, I think a lot of those things would have been done without the legislation.

Mr. Speaker, I do not have any major objections to some of the technical amendments here. It is not a huge deal in a lot of ways. It is more the philosophy of the whole thing I am concerned about. I am a pragmatic fellow. If it worked, if it created new jobs, if it created a lot of new investment then I would say, “Let’s try it, it’s worth it.” But I have yet to see that, and I have seen so much harm from it, which has been a great black eye to this government, whether they know it or not. I have yet to hear an explanation of this whole thing from the appropriate minister, though I expect to hear one shortly.

Those are just a few remarks, Mr. Speaker.

Mr. Wildman: Mr. Speaker, I must admit that I have some of the same reservations about the bill that my colleague the member for London Centre (Mr. Peterson) has, but perhaps for a reason somewhat different from his. I certainly agree that we have serious reasons for reservations about the small business development corporations and how they have operated, because, although they were established supposedly to provide pools of capital for a sector of the economy that is usually starved for venture capital, the small business sector, the way they have operated and the way they were set up has more often meant that they have done more for investors who have large disposable incomes and money to invest for a quick return than they have for the small business sector.

My colleague the member for London Centre used an example of how certain of these investors got involved in a small business development corporation that then did not

really help any small businesses particularly, or help to start any small businesses that would not normally have been able to get financing elsewhere, in order for those investors to get a quick 30 per cent return on their investment, an enormous return on investment, from the government. I suppose that if one wanted to be harsh in looking at the individuals of whom he was speaking one could say that, thanks to this legislation, those people who invested unwisely lost only 70 per cent rather than 100 per cent, because they did indeed get an immediate return that is very generous in terms of what it does for the investor. The question is, does it do anything for small business?

One of the problems that small business faces in this province, as we all know, is that banks and other lending institutions or investment houses more often prefer big customers, big clients, to small ones, because the risk involved is usually considered to be less. That was the whole purpose of this legislation in the first place: to try to provide capital for those businesses that have difficulty obtaining capital.

It is really not hard to understand why lending institutions, investment houses and investors generally are unwilling to invest in the small business sector. All one has to do is look at the rate of bankruptcies in the business sector in this province and in the nation and one can see, when he considers that most of those bankruptcies, or a high percentage of them, are in small businesses, that an investor wanting a sure return is not as likely to put up his money for the kind of venture capital that many of these businesses need.

The question is, does promising a 30 per cent return as a way of increasing the pools of capital available really help that sector of the business or does it just give a fast return to the investor? I will not belabour the point that has been made by my colleague from London Centre. I perhaps do not have the same kind of sympathy he has for those investors who were caught in the situation he referred to; as I said, because of this legislation they did not lose as much as unwise investments might normally have meant they would lose. That is of course the purpose of it, I suppose: to make it less risky so that you will have that kind of capital available.

We have no objection in this party to the changes in this legislation, which are largely housekeeping. We have, as I said, some reservations about the legislation and the purpose of the legislation in general, although we supported it when it was first brought into this

House in 1979 because of the serious problems that small businesses were facing in raising capital.

4:40 p.m.

We have no objection to the increase in the equity capital from \$5 million to \$10 million. If this is in any way going to assist the legislation to meet the purpose for which it was intended then we will support it.

In our view what is really needed is an industrial strategy, a business strategy which is aimed at assisting small business and developing small business directly by the government rather than this indirect route of trying to entice investment capital by a large percentage grant of money from the government. We talked about whether incentives work in this province, or in this country; and whether the increase in the tax expenditures that we now have, or direct grants for that matter, will really do what they are intended to do. Frankly, we doubt it.

It seems to us that if the government really wants to provide capital for the small business sector, the government should be prepared to become involved in providing risk capital at rates that are acceptable, and in terms of getting involved in joint ventures, and so on, with the business sector.

We do not like grants. We do not like incentives because, frankly, we do not think they work. For that reason we have reservations, as I said, about this whole approach.

I would like to point out to the parliamentary assistant that we are glad to see that after two years the government is finally responding to the concerns that were raised by my colleague the member for Nickel Belt (Mr. Laughren). At the time legislation was first brought in he raised a concern about the possibility of investors being able to piggyback one SBDC into another and in that way get a continual return on their investment.

I note in the Hansard record of May 17, 1979, the member for Nickel Belt raised this concern with the Treasurer, as well as his concern that there were no job projections in the legislation. He raised his concern when he said that if the SBDC puts \$100,000 into a business, that business could then take that \$100,000 and invest it as a corporation into another SBDC and receive a 30 per cent writedown on its corporation tax in the following year by investing it in another SBDC, and so on.

I note that in this bill before us the government is at last responding to that concern, despite the fact that at the time my colleague

raised the question with the Treasurer he tried to argue that section 9(d)(i) in the original legislation precluded this from happening. It appears, at least from this bill, that it has indeed been happening because there is a specific provision in this bill to prevent it. It is unfortunate that the government and the legal beagles that it had working for it at the time did not listen to my colleague and make the necessary change when the legislation was introduced. I suppose it is better late than never.

I note that in the explanatory note for the bill it stated: "At present, a small business is precluded from using the investment funds provided by a small business development corporation for the purpose of relending, investment in land unless necessary for the objects of small business, or reinvestment outside Canada." Then the important point, "The bill proposes that a small business also be precluded from using such investment funds to purchase securities in any other corporation."

It appears the government is finally responding to the concerns raised by the member for Nickel Belt despite the fact the Treasurer was convinced when he introduced the legislation that this was not a problem and that it had already been taken care of.

I suppose it takes a Socialist to understand how the sharpies, as my colleague the member for London Centre refers to them, will take advantage of those poor innocent free enterprisers over on the other side when they get into the position of interfering in the free marketplace.

They are so unused to doing this that they lay themselves open to the "unscrupulous" who might indeed take advantage of the so-called freebies so often given by this government despite the fact they say they believe in the free market and the operation of the market.

Why is it that, when this government does screw up its gumption to get involved and to interfere—that is the term the government would use—in the marketplace, it cannot do it directly but must do it through the back door, through incentives and so on, in such a way it leaves itself open to the kinds of things my colleague the member for London Centre was talking about with the investor called Sylvester?

As I said, we have no great objections to the changes in the legislation proposed in Bill 71. They are mostly housekeeping changes. They are a response to the need to expand those eligible for the operation of this bill and also a response to the concerns raised by my colleague

when the original legislation was first proposed. For that reason, we will be voting for this legislation.

Mr. Jones: Mr. Speaker, before I answer some of the questions the two speakers asked in their comments, for the benefit of the House, the members might find it interesting to know the background of the eight or so changes that have been embodied in the bill and the reasons in quick capsule why they were brought about.

As I said in my opening comments, these were drawn from the lessons learned in this new program and from the review that took place. It might be of considerable interest to the members to know that from the very start in 1979, when the program came forward and our legislation first created the corporation, there was the recognition we would indeed be dealing with an entrepreneurial instinct, as my friend the member for Algoma (Mr. Wildman) refers to it.

I suppose we are trying to encourage and draw out pools of capital that might otherwise stay in the old socks and not be available for the small business. That is true; it is a process of prying out that needed capital for small business use.

Both the critic of the Liberal Party and the member for Algoma (Mr. Wildman) were curious about some of the details of the employment generated by this program. They were looking for some confirmation or reassurance that small business was benefiting in addition to the investors and I could share some specifics I think are important. Just quickly, before I go into that, I thought it might be helpful to remind ourselves of the lessons learned in the program and why some of the programs are taking place.

4:50 p.m.

I did mention at the outset why the \$5 million is going up to \$10 million. We found there are people out there, especially on the public side of the business sector, who, once they have found one of these socks, are prepared to put up more, but they have been restricted. Given the evidence I am going to share with members in a moment about the benefits that do flow, yes indeed, to small business, I thought they might be interested to know that as we talked to those people they shared with us—in fact, they urged the government to consider that extra increase. Thus, we have the first recommendation of an increase from \$5 million to \$10 million on the public side of things.

Mr. Wildman: When they find a sock they want to sock it to us, do they?

Mr. Jones: How does this actually work? I share this with the House, especially with the member for London Centre, who left us with the impression that somehow or other a sharpie, to borrow his term for a moment, wandered out into the street and encouraged a lot of people to get on the bandwagon and come and take advantage of this program.

Well, it is a program to be taken advantage of, for sure. That is the whole purpose of it. That is the philosophy of it, as has been pointed out. However, I think, in reality, the way it takes shape is that an accountant perhaps interfaces with his clients, perhaps meets a group coming forward and making the suggestion after a great deal of considered thought about how they can take advantage of this.

As a matter of fact, the other large body that is causing these funds and investors to be brought together to take advantage of this fund, and then, in turn, for it to flow to the benefit of small business, is the legal profession. I can give one example that jumps to mind. A fellow by the name of Turner—I think he maybe even had something to do with public life at one time—not only brought forward several people to join with him in a very successful program under the SBDC, but he carried it a step further to assist the people who were joined in his program so that they could take advantage of tax discounts by using it for retirement and other type benefits.

Certainly the private sector, these pools of money that otherwise might seek a safe ground, has been encouraged to come forward and to make its investments. When I mention the increase from \$5 million to \$10 million, I am compelled to answer the question of the member for Algoma about the employment opportunities that have been offered.

I could give him quite a litany of those, but I will just share one. It happens to be in the north in Thunder Bay. It involved a hotel complex and some \$7 million. I think most of us can visualize very quickly that the hotel industry is a labour-intensive industry with quite a cross-section of employment opportunities. When we look at that kind of dollar investment in just one, then we have some appreciation of how it is being responded to by people with entrepreneurial instincts who might otherwise not be taking advantage of it. That is a large one for a moment.

I think when we talk about the benefits to small businesses and question what they are feeling about it, it is probably best to look up, for

example, the newsletter that is put out by the Ontario small business development corporations program. I would refer members to, for example, the August edition where the success of Goman Boat Limited, an Oakville company, is shared with readers. One can see at an instant glance that small businessmen, those who are involved with it, attest to how they would not have had the success they have had, but for this program.

I refer members to an article entitled “‘Watch Me Grow’ Hits the Market,” also in the same magazine. It is a new concept in children’s furniture, and it is one where the furniture is used all the way through the crib, the playpen and up into adolescent years; it is modular furniture and it can be adapted. There the small businessmen themselves say very clearly that it would never have survived or even achieved the dimensions it did but for the program we are talking about.

So it is serving large and it is serving small—the intention, of course, being small. We all know that small business contributes such a large number of employment opportunities when it is at work growing.

I just have to share with the members that one thing we often overlook, when we talk about the new jobs created, is an equally important fact of life of how many we save or preserve. I can share with the members some specifics of how the small business development corporation program has preserved many businesses that otherwise, sadly, would have gone by the wayside and whose opportunities we would have lost but for the infusion of this risk capital.

To touch quickly on explanatory note 2, for example: The limiting of investment in any one small business, we believe, is a wholesome, important change so that we can spread the money and benefits to as many small businesses as possible. In section 4(3) we are limiting investment in a small business to a maximum of 60 per cent. I think we can all agree, given that the major benefactor of this program is the small business community, that we want to ensure that the original small business shareholders will maintain a significant interest in their businesses. The 60 per cent ensures that the small businessperson can continue to have his 40 per cent there for him.

Explanatory note 4, for example, precludes reinvestment by small investments. That was the concern of the member for Algoma (Mr. Wildman), that there might be piggybacking

and that the first SBDC might be caused, in turn, to go and destroy that principal and move on to invest in yet another vehicle.

Then in note 5 we talk about new equity investment, again as a protection against abuse. Notification no longer is being required as to the dividend situation, because we feel that is adequately covered by the safeguards in general legislation such as the Business Corporations Act.

Note 7 was to correct an error in the first legislation. We do not want to prohibit or handicap some opportunity where a person may not even know that he is investing in two small businesses.

Note 8, the final one, was to get away again from the possibility for abuses in cases where someone may make a loan to, say, an employee, and cause that person to invest it back in the firm, and then, of course, someone would be taking advantage of or abusing the system.

In capsule, I would simply like to say to the member for London Centre that his concern about it not serving the small business community it was set up to serve is really not well founded. Quite to the contrary, it is doing an excellent job, and I hope he will look up some of the specific cases as put out by the Ministry of Revenue in the Ontario Small Business Development Newsletter, because they are there and they are told by the people who can best tell him, namely, those involved.

5 p.m.

Concerning the Sylvester case, I just share with the House that my understanding of the circumstance of the Sylvester case is certainly not totally as the critic mentioned—that people were totally in the dark over this program—but rather there was quite an outline in the prospectus of details of what types of things these people would be investing in. I can tell the House that the Sylvester case, the details of which are best known to the appropriate minister and the member who talked about them, is not an example of the overall good that is being done right now by this program.

As I conclude, I would like to share with the honourable members that there has been some \$19 million in grants and tax credits. That is representative of a sum total of 2,381 loans and has resulted in an issued capital to date of some \$68.7 million. It has gone diversely into the small business sector, but it is important and the members may like to know that \$34.4 million has gone into the manufacturing and processing sector. Tourism received some \$13.6 million and R and D was also a recipient of that.

I know the member for Algoma had questions

about employment. He might be interested to know that not only has it had a lot of labour-intensive results in small business, but the northern part of the province received \$10.3 million and \$9 million was received by the eastern part. That speaks very well when you see central Ontario received \$11 million and southwestern Ontario \$6 million. I think the members should know it is being utilized across the province in the areas where it is most needed.

There are a lot of good news stories, many more than the member for London Centre tended to want to share as he focused his attention on one incident that had some notoriety. Again I would refer the members to the bulletin where some of the stories of considerable success of this program have—

Mr. Peterson: I don't put any stock in your PR, I can tell you that.

Mr. Jones: No, this isn't PR of this government but rather the words of the people who took advantage of the program, who brought it together and had their businesses prosper for their employees and themselves.

I appreciate that the members have pointed out that these amendments are largely house-keeping and improvements to ensure that abuses do not take place where lessons have been learned in the period of the program. I thank the members for their contributions on the bill.

Motion agreed to.

Third reading also agreed to on motion.

CORPORATIONS TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 79, An Act to amend the Corporations Tax Act.

Hon. Mr. Ashe: When the debate was adjourned last Friday, Mr. Speaker, I indicated I wanted to have the opportunity to review the questions raised during the debate that day to make sure I had covered them all in my summation. I have done that and found that, at least in my view, I adequately covered all the points raised by the members opposite. I think we are ready at this time for the vote on second reading.

Motion agreed to.

Third reading also agreed to on motion.

RETAIL SALES TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion

for second reading of Bill 80, An Act to amend the Retail Sales Tax Act.

Mr. Williams: Mr. Speaker, earlier in the afternoon the debate was adjourned so I could give consideration to further aspects of the bill as related specifically to section 2. I had spoken at some length with regard to the new technology and developments through the initiatives of this government that are taking place with regard to the use of propane, hydrogen, electricity and so forth.

There are a couple of points I want to touch on briefly before concluding. I had emphasized the coming hydrogen generation and its use with regard to movement of land transport, but I neglected to make the observation that this would not be exclusively reserved to the movement of motor vehicles. It would also be used extensively for fuel in moving trains, ships and aircraft.

While the on-board storage systems and the hydrogen engines have yet to be developed

satisfactorily, nevertheless there is no question that in time hydrogen will be extensively used in those areas of transport too. Probably the most difficult area will be the development of the storage capacity unit for the smaller private vehicle, but I am sure this will be resolved.

These are simply the highlights I wanted to add to the ones I made earlier. The last point was that electrification also is an important component of the Board of Industrial Leadership and Development program and the use of off-oil resources. We will be developing the electrification of the GO Transit and other rail systems within the province to extend that program and bring it to fruition. Those are the additional comments I had to make in moving second reading of Bill 80.

Motion agreed to.

Third reading also agreed to on motion.

The House adjourned at 5:10 p.m.

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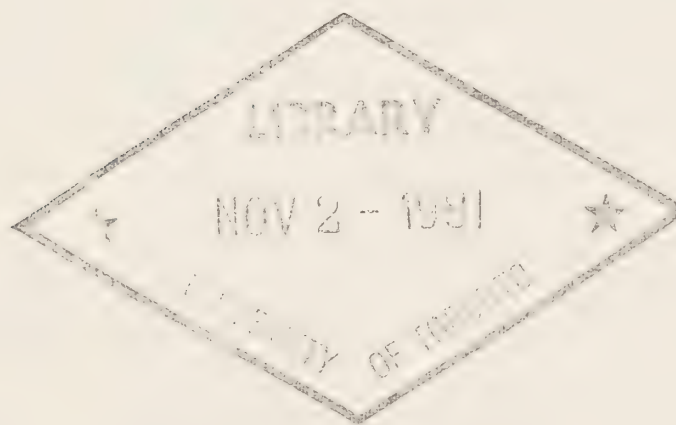
Ontario

LEGISLATIVE ASSEMBLY

No. 74

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Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, October 20, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 20, 1981

The House met at 2:03 p.m.

Prayers.

MILK PRICES

Mr. Swart: On a point of privilege, Mr. Speaker: Yesterday the Minister of Agriculture and Food (Mr. Henderson) accused me of misleading the House. Although he withdrew that remark he left the accusation of wrong figures for the price of milk.

I would like to table with the Clerk of the House, and send a copy to the minister, a letter from the Ontario Milk Marketing Board, dated October 6 of this year and signed by Mr. Peter Gould, which totally confirms my figures. It has tables on the price of milk, and it shows that jug milk prices in Toronto—and the same figures apply to Barrie—increased 36 per cent in the last two years and more than 50 per cent in the last three years—not 20 per cent in four years, as the minister stated.

In correcting the record I might also point out that from 1977 to 1980 is three years, not four years.

Mr. Speaker: Thank you very much.

Hon. Mr. Henderson: Mr. Speaker, I will certainly look forward to reading and studying the letter the honourable member has. It appears to be information different from what I happen to have, so we will look at it.

STATEMENTS BY THE MINISTRY

FRUIT AND VEGETABLE STORAGE PROGRAM

Hon. Mr. Henderson: Mr. Speaker, in my opening remarks in this week's committee I promised that within two weeks I would begin announcing approved projects under the Board of Industrial Leadership and Development storage and packing program. Only a week has passed since then and I am very happy to announce the first three approvals.

On Friday, October 16, I signed agreements with a producer and two packers. The producer is a Norfolk vegetable grower. He wants to store cabbages so that he can market his crop during the winter. The BILD grant he received last Friday will help him build 2,500 storage bins for

cabbages. As a result, he will be able to replace some of the produce that is normally imported into Ontario during the winter. The total cost of his project is \$225,000. The BILD grant will cover one third of that cost.

A large-scale apple packer from Grey county received a grant to increase the size of his controlled atmosphere storage. He will also renovate his packing facilities. He will be able to store apples longer, and market a higher quality product later in the season. The total cost of this project is \$172,000; again, BILD is covering one third of the cost.

A packer in Bradford had his eye on the export market. He got a BILD grant to help pay for a new kind of potato and onion packing equipment. It will also help pay for an onion-drying and conditioning room. With this new equipment, he will have a higher quality packaged product to take into the export market. BILD gave him \$45,000 towards the cost of installing this equipment.

Mr. Speaker, these are just the first three such agreements. I expect to be signing many more. To date, 125 producers and packers have submitted proposals for a wide range of projects. There is a total of \$20 million in this part of the BILD program. It will make a very large contribution to expanding Ontario's fruit and vegetable industry.

ANNUAL REPORT, ONTARIO ADVISORY COUNCIL ON THE PHYSICALLY HANDICAPPED

Hon. Mrs. Birch: Mr. Speaker, today I would like to table the sixth annual report of the Ontario Advisory Council on the Physically Handicapped.

The council, which was established in 1975, has been effective and persuasive in reaching both the public and the government. This week the council will conduct a public forum in London, one in a series of public meetings across Ontario. These public sessions do much to promote awareness of the concerns and perhaps even more important, of the capabilities of handicapped persons.

Jack Longman, the chairman, is not in the Legislature today because he is busy getting

ready for the London meeting, but Bob Waterhouse, who is the staff liaison person between my office and the council, is in the Speaker's gallery. It is with great pleasure that I share some items about these two quite remarkable men.

On October 3, Jack Longman received an honorary Doctor of Laws degree from the University of Windsor and on Friday of this week the University of Waterloo will confer a similar degree on Robert Lambert Waterhouse. I know that members join me in saluting them and the universities that have marked the International Year of Disabled Persons in such an admirable way.

I might add, Mr. Speaker, that members will find copies of the report in their mail boxes.

TENTH ANNIVERSARY OF 1971 ELECTION

Hon. Mr. Wells: Mr. Speaker, I thought I might take this opportunity to say a few words. This is not in terms of a formal opening statement so I do not have any copies of it but I wanted to remind the older members and the more recently elected members of this House that tomorrow marks the tenth anniversary of the first election of 17 of our colleagues, who are now sitting here as members. Of course, they will well remember the date October 21, 1971.

Needless to say, October 21, 1971, was also the date of the first election of the Premier and his Progressive Conservative government. After 10 years we are still going strong.

2:10 p.m.

Interjections.

Hon. Mr. Wells: This seems to have stimulated a little attention, Mr. Speaker. I would just like to remind the members that the 17—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Wells: Of course, these statements are to be noncontroversial. But my friend says, "It is a pity you cannot govern the province." The people of Ontario on three successive occasions since then have said they think we can govern this province.

Of the 17 MPPs from the class of 1971 still here, 13 are on the government side, three are in the third party and one is in the official opposition. I would like to mention who they are. On the government side there is Mr. Bennett, Mrs. Birch, Mr. Drea, Mr. Eaton, Mr. Lane, Mr. Leluk, Mr. F. S. Miller, Mrs. Scriven-er, Mr. J. A. Taylor, Mr. Timbrell and Mr.

Wiseman. There were two who took a slight vacation during that 10 years: Mr. Walker and yourself, Mr. Speaker, were away for the 1975-77 period, but the voters sent you back here subsequently and we are happy you are still here.

On the opposition side we have in the Liberal Party from the class of 1971 Mr. Albert Roy. I hope I have not overlooked any other of his colleagues. I think he is alone as a group of one. In the New Democratic Party we have Mr. Cassidy, Mr. Foulds and Mr. Laughren, a group of three.

Mr. Speaker, I knew that you would not begrudge this short period of time in the House for those of us who are perhaps a little more veteran and the newer members all to join together in wishing the class of 1971 success and much more prosperity.

Mr. Speaker: Thank you very much, Mr. Wells.

Mr. Smith: We did note the reference to your vacation, Mr. Speaker. He stuck that one in—very unkind.

ORAL QUESTIONS

ONTARIO ENERGY INVESTMENT

Mr. Smith: Mr. Speaker, noting the absence of a few ministers from the class of 1971 and several subsequent classes, I will ask the Minister of Energy whether he could answer the question the Treasurer (Mr. F. S. Miller) was unable to answer yesterday. The minister will recall that the Treasurer of Ontario did not answer the question although presumably he gave his approval by way of cabinet solidarity to the expenditure of \$650 million Ontario does not have and has to borrow to buy an Alberta oil company. Would the Minister of Energy be able to answer the question as to how this is going to do what the Premier (Mr. Davis) said it would do: that is, in some way, ensure a secure supply of oil for Ontario?

Hon Mr. Welch: Mr. Speaker, I am awfully glad to be asked that question. I think it has been quite obvious in the preceding question periods that the Leader of the Opposition has not really wanted this answered. I do not find anywhere where that party stands on this issue. Is the member in favour of this acquisition or not?

Mr. Smith: We are dead set against it. It is the dumbest waste of money since Pickering land assembly.

Hon. Mr. Welch: That is fine. Let the record show that.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Welch: Otherwise, I take it the member agrees to some features.

Let us take a look at why we did this. We on this side of the House felt it was about time the people of this province got where the action was. We realized, under the circumstances, we had to make our contribution to the Canadianization of this company. The company is a very good candidate for this process, almost completely foreign-owned, with very large holdings in the west that would not be explored or developed without the incentive grants this Canadianization process will enable.

We think this province, depending as it does on hydrocarbons for 65 per cent of its energy needs, should be there at the table getting the information it needs to develop an intelligent energy policy and to be part of the Canadianization process of this industry. We are very pleased to be part of this. Some day the member will regret his interjection of a few moments ago.

Mr. Smith: Mr. Speaker, by way of supplementary, the Minister of Energy suggests this government wants to be where the action is. Presumably by that he means out in Alberta where the oil is. Unfortunately, 30,000 of our young people are leaving for where the action is every year, because we are not supporting the industries that are in decline in Ontario. Instead we are supporting industries elsewhere.

May I ask the Minister of Energy—

Hon. Mr. Davis: Is it true that in that commercial you made—

Mr. Speaker: Order.

Mr. Smith: I am sorry, the Premier wants to help his minister. Believe me, he needs the Premier's help. I recognize that, but let him try to answer the question. He should just give him a chance to answer the question himself.

Mr. Speaker: Will you proceed with the question, please?

Mr. Smith: The Premier should not be nervous. His answer may not be as bad as usual. Give him a chance.

Hon. Mr. Davis: I really don't—

Mr. Smith: Would the Minister of Energy kindly answer the question I asked—how this deal is going to ensure a secure supply of oil for Ontario? I see some hints being given by the Premier. He has very little confidence in the minister's ability to answer the question. He has a number of clues to give him. He really wants to answer the question himself. I feel badly not having asked him the question, honestly. He cannot contain himself. He wants to answer the question. He should be patient. Someone will ask him a question in the next few days. I will ask the Minister of Energy again how this ensures a secure supply of oil for Ontario.

Hon. Mr. Welch: Actually, there is no mystery about our exchange. We wanted to know on this side if the Leader of the Opposition really did tell a film crew during the last election campaign that if he became Premier, he would carry his own bags around.

Interjections.

Hon. Mr. Welch: Mr. Speaker, if I can get back to the question, I think what we are really trying to emphasize, as far as the people of this province are concerned, is that we are acting as a catalyst in the Canadianization of this company by making this significant development. The member should look at the holdings of this company, and the development that will occur because of the incentive grants that will be available once the Canadianization process is complete.

Once he realizes the economic spinoffs of development in that part of Canada—because we are still talking about Canada when we talk about those developments—and realizes that at least one third of the value of these megaprojects will accrue to the benefit of Ontario, and to the development of the resources that are there because of this, he will see it was a very wise decision on the part of this government to be involved in this acquisition.

Mr. Martel: Supplementary, Mr. Speaker: If the minister is sincere about wanting to maximize the benefits for Ontario in including in that some of the write-offs and so on, does he not think it is incumbent on the province to get the other 26 per cent that is floating out there and have total control?

Hon. Mr. Welch: No, Mr. Speaker, I think it was a very deliberate decision on our part that we would not acquire control. We made a significant investment to take a very important first step in the Canadianization process and that will encourage other Canadian involvement

for the acquisition of the remaining 26 per cent. Once that objective was reached we would have access to those very generous incentive grants. It would then be possible to develop the land holdings with which this company has some experience.

2:20 p.m.

Mr. J.A. Reed: The minister has skirted and touched almost every other subject except the question asked by my leader— that is, how is the security of supply enhanced? The minister has touched on the subject of possible economic gains in Alberta. He did not mention that the Premier (Mr. Davis) had told a press conference last week that all the money was going out of Canada; he did not mention that the Premier—

Mr. Speaker: Do you have a question?

Mr. J. A. Reed: Yes, I do, Mr. Speaker. He said in the press conference there would be no new industry created. Now I ask the question once again—it is the original question that was asked and not answered: How is Ontario's energy security enhanced by this purchase?

Hon. Mr. Welch: As we all know, the target for this country is crude oil self-sufficiency within 10 years. There are several ways to reach that target. One way is to increase the supply of hydrocarbons. Through the national energy program there are built-in incentives to encourage exploration and further development including the synthetic oils.

This company has extensive holdings and we are part of this. In order to help them accomplish Canadianization and to develop that source, it should be obvious even to the honourable critic of the official opposition that this makes a very significant contribution towards the acquisition of increased supply.

METRO POLICE COMPLAINTS PROJECT

Mr. Smith: Mr. Speaker, I am torn between asking whether the Tory caucus is going to give the disabled their human rights or to ask a question on the police bill. I will ask the Solicitor General on the latter.

A month ago, in Bill 68, the Solicitor General was prepared to have the public complaints commissioner commence an investigation at the outset—at least in certain exceptional circumstances which would have been left to his discretion. During a series of public hearings virtually everybody said that if anything the discretion should be greater for the public commissioner. Virtually nobody said that discretion should be curtailed. But now the Soli-

tor General is not content to allow the police commissioner to have even that amount of discretion he was prepared to let him have a month ago.

Can the Solicitor General explain why he has changed his mind on this fundamental policy matter in the course of a month?

Hon. Mr. McMurtry: We have not changed our minds about anything. There has been no change of policy. Some amendments were made to the legislation after a number of delegations were heard. I think the section the Leader of the Opposition is referring to was amended at the suggestion of one delegation. We have taken another look at it and I discussed it with the complaints commissioner. We will be proposing a further amendment to that section this evening. Certainly it was not anybody's intention to limit the public commissioner's discretion.

I am saddened by the Leader of the Opposition, who has said on a number of occasions this is really good legislation— legislation that is in the interest of all citizens. I wish he would stop playing petty politics with this important legislation.

Mr. Smith: Last fall, the Solicitor General, by means of private communication, indicated clearly he would be prepared to give the police commissioner the right to commence his own investigation rather than have to wait for 30 days. He then changed his mind overnight and took away that possibility, killing the bill in the spring. In September, he was willing to give back the right to commence an investigation, not just on grounds that the police were unduly delaying but on grounds that he felt it was in the public interest.

A month later, he again took it away. Now he tells us he is prepared to give it back again. Would the Solicitor General explain what is happening in his ministry, admit that Mr. Linden would probably not serve under the bill as emasculated as it was under the most recent amendments and admit that someone else in the ministry slipped through that last amendment, probably without the Solicitor General even knowing about it.

Hon. Mr. McMurtry: All I can say is the Leader of the Opposition is talking absolute nonsense. We will be debating this legislation tonight. I would be very happy if he would participate in this debate and I would be happy to discuss this section and any other sections at length.

Mr. Laughren: A supplementary question, Mr. Speaker: Like other members of the committee who heard the delegations concerning that bill, I heard delegation after delegation from the visible minority groups in this city come before the committee and plead that there be an independent investigation from the very beginning.

If anybody is playing politics with this bill, it is the Solicitor General. Since it is the consensus, I believe, that the groups which would have the most to gain from an independent investigation under this act would be those visible minorities, why has the Solicitor General determined that he does not intend to listen to them whatsoever?

Hon. Mr. McMurtry: Mr. Speaker, in my view this legislation is the most progressive legislation that has been developed on this topic anywhere. If the opposition would cease attempting to distort that fact, I think the Legislature would be proud to pass this important legislation which will serve the whole community. I am confident the legislation does and will enjoy the confidence of the great majority of the community.

Mr. Laughren: A point of privilege, Mr. Speaker: I do not believe the Solicitor General has any right to stand in his place and accuse me or other members of the opposition of distortion because that is attributing motives and is simply not true. I was merely interpreting what the delegations who came before the committee requested. They requested that clearly and explicitly, and for the minister to accuse us of distortion is simply unfair.

Mr. Smith: Would the Solicitor General admit that the most recent amendment he announced would strip the public complaints commissioner of any right to commence an investigation on his own unless the police had unduly delayed—in other words, effectively muzzle him for 30 days? Would the Solicitor General tell us whether he is prepared to accept that the public complaints commissioner can start an investigation on his own if he deems it in the public interest according to the new amendment he is going to present? Would he be kind enough to tell us Mr. Linden's view of the amendment as presented by the Solicitor General on his last occasion?

Hon. Mr. McMurtry: If the Leader of the Opposition would take the trouble to read the legislation, he would note the commissioner is given the responsibility to monitor the handling of the complaint from day one. It was the

understanding that the initial investigation would be done by the Metropolitan Police Force unless there was undue delay or any other impropriety—I have forgotten the exact wording and I do not have the bill in front of me—in relation to the initial investigation which would require that 30-day period to be abrogated in the public interest.

That is the intention of the legislation. That is what Mr. Linden has always understood would be the legislation. Given the opportunity he is going to do an excellent job.

2:30 p.m.

CHILDREN'S MENTAL HEALTH SERVICES

Mr. Speaker: The member for Port Arthur (Mr. Foulds).

[Applause.]

Mr. Foulds: Mr. Speaker, I am not sure I appreciate the applause coming from the other side.

Mr. Speaker: The member has friends all over the place.

Mr. Foulds: I think that just lost me a few dozen delegates.

Mr. Speaker, in the absence of the Minister of Community and Social Services (Mr. Drea), I would like to put a question to the Provincial Secretary for Social Development. Can the minister explain why, as a matter of policy, the Ministry of Community and Social Services is continuing to force the parents of severely retarded children in schedule I and schedule II facilities to pay user fees through the special needs and special services agreements? Ontario is the only province that is instituting such user fees, and these user fees are actually causing a reduction of Canada assistance plan funds from the federal government. Why is her government forcing parents like Janice Rennie in my riding and 1,300 other parents across this province to subsidize the federal government in order to save the ministry a few dollars?

Hon. Mrs. Birch: Mr. Speaker, this policy was developed in consultation with the parents of the mentally retarded children. A great deal of discussion went on for months with regard to this policy. Before it was implemented with the federal government there was an understanding that it was approved by the parents of those children. If there are exceptional cases where distress is caused by the user fee policy that will be addressed. But it was never the intention to force it upon anyone. It was done only after

months of consultation with parents and with the Ontario Association for the Mentally Retarded.

Mr. Foulds: Can the minister then explain why her government, through the Ministry of Community and Social Services, engaged in a program of calculated deception of the Ontario Association for the Mentally Retarded and the parents of such children, by saying the user fees were necessary to get access to federal funds? That is simply not true according to Mr. R. Yzerman of the CAP directorate. Also, according to her own co-ordinator of the special needs program, the administrative costs of assessing the fees appear to be greater than the income she will receive from such people.

Hon. Mrs. Birch: To begin with, I take great exception to the way that question was phrased. No deception was intended and no deception was practised. I have already indicated to the member that policy had to have the total approval of the association before we implemented it. We did have that consultation which went on for months before the program was implemented.

I am not aware of the statements the member has mentioned today. We have not had that kind of response in my office nor, I assume, in the minister's office.

Mr. Wildman: That is not correct.

Hon. Mrs. Birch: I take exception to that.

Mr. Speaker: Just ignore the interjections.

Mr. R. F. Johnston: The minister should get her facts straight.

Hon. Mrs. Birch: I have my facts straight. I think perhaps the member should get his straight.

Mr. Foulds: Can the minister explain why at least 25 per cent of the parents of such children have not yet signed agreements, in spite of the incredible pressure put on them and the incredible guilt trip her government has laid on them?

Does she really believe a sentence like this, on page six of a seven-page letter to one of the parents, does not mislead them? It says, "You can see by generating cost-sharing dollars we have accessed several million dollars to be spent on developmentally handicapped children which would not be available without this initiative."

That is simply not true. Both her ministry and the federal government admit that they need not charge user fees, and the fact that no other province charges such user fees indicates that

the Provincial Secretary for Social Development did not need to charge them to get access to the federal funds.

Hon. Mrs. Birch: I will ask the minister to have an updated report and to present it. But I hope this is not the kind of question we are going to have in the leadership convention. I hope this is not the kind of thing the members are going to drag up, because there was total agreement with the Ontario association that this program would be implemented to make it possible to develop more community services and that more money would be forthcoming through the Canada assistance plan to do this. This is exactly the direction we have been going.

Interjections.

Mr. Speaker: Order. Order.

Mr. Foulds: Mr. Speaker, I want to inform the minister and other members that this is exactly the kind of question that will be coming from this party now and in the future, no matter who the leader is.

UNEMPLOYMENT

Mr. Foulds: Mr. Speaker, I want to put a question to the Premier (Mr. Davis) in the absence of the Treasurer (Mr. F. S. Miller).

In view of the forecast by Clayton Research Associates that Ontario next year will experience the lowest volume of housing starts since 1952, and in view of the startling figures of layoffs in northern Ontario lumber and sawmill towns because of high interest rates and low housing starts, what steps do the Premier and his Treasurer, while he is still a member of the cabinet, plan to take to stave off unemployment in northern Ontario towns that are facing these layoffs?

Hon. Mr. Davis: Mr. Speaker, the problem of the construction industry, primarily residential and to a certain extent commercial, is directly related to the problem of interest rates. I go a little bit by the press that perhaps some partial—

Interjection.

Hon. Mr. Davis: Does the member want me to read what I read in the *Globe and Mail* about the Liberals' significant meeting in northern Ontario where 30 people came out to their major policy conference and where the member for Kitchener (Mr. Breithaupt) put his foot in his stack or whatever?

Mr. Speaker: Order. Will the Premier please address himself to the question from the member for Port Arthur?

Hon. Mr. Davis: I am sorry, Mr. Speaker. They were interrupting me.

Mr. Breithaupt: Exactly what I meant. Exactly what I meant.

Hon. Mr. Davis: I am not going to quarrel with what the member said. I am delighted to know he is trying to create the steady, solid appearance of the Premier of the province. That is delightful.

Interjections.

Mr. Speaker: Order.

Mr. McClellan: Do you want any order in this place, or don't you?

Hon. Mr. Davis: Mr. Speaker, I do not think there is any question that—

Mr. Laughren: Why don't you go and sit in the Speaker's chair?

Hon. Mr. Davis: Listen, I was being interrupted. This is what the members opposite do all the time: interrupt.

Mr. Speaker, to reply to the question, without interruption from the Liberal Party—

Mr. MacDonald: Ignore the interruptions.

Hon. Mr. Davis: Now the member for York South is interrupting me.

Mr. MacDonald: Right; get back to your answer.

Hon. Mr. Davis: The question of the construction industry was a matter that we, as Premiers, discussed yesterday. In our communiqué to the Prime Minister we urged the setting of dates for a first ministers' meeting to deal in general terms with economic issues, but we specified the construction industry, which is primarily residential or housing, along with the farm community, fishing, et cetera, because I think the Treasurer would say, the Minister of Municipal Affairs and Housing (Mr. Bennett) would say, and I certainly say from my own knowledge and of my own constituency, that the question of housing relates very directly to the question of interest rates. The members know the point of view expressed by the Treasurer on interest rates, which he has given them time and time again.

Mr. Foulds: Can the Premier tell me what steps his ministry will take to avoid or stave off the unemployment that is facing many of these one-industry towns in northern Ontario?

In particular, will he tell me what steps his

ministry is taking to reverse unemployment in places like Longlac, where Weldwood of Canada Limited is laying off 19 per cent of its employees and Kimberly-Clark is laying off 35 per cent of its employees; in Hearst, where Levesque Lumber (Hearst) Ltd. is laying off 70 per cent of its sawmill employees and the Gosselin Lumber Company Limited is laying off 24 per cent of its employees; and in Dubreuilville, where the Dubreuil Brothers Limited, unfortunately, have to lay off 23 per cent of their employees?

That is a startling number of employees to be laid off in those small northern Ontario towns. I want to find out what steps are planned by the Premier, by his Treasurer and by his Minister of Industry and Tourism to get those people back to work and provide them with employment.

2:40 p.m.

Hon. Mr. Davis: The concern expressed by the honourable member is one that the government shares, because in the construction industry the impact of lack of residential starts is not confined just to the communities he mentioned or to that particular industry. It also has an impact on the white goods industry and others that relate to the development of new housing accommodation.

I repeat, the basic problem relates to the question of interest rates. Once again, I am not going to speculate, because I have no way of knowing, other than what I have read in the press as to the possibility—and I say it is a possibility, because I am really not privy to any information—that perhaps a part of this problem may be addressed in the now fairly imminent federal budget.

We will continue to press the government of Canada with respect to the interest rate policy. We have made it abundantly clear that we—

Mr. Foulds: Why don't you use the Province of Ontario Savings Office?

Hon. Mr. Davis: I have to say to the honourable member that this government cannot get involved in a massive general program of interest subsidization.

Mr. Laughren: In anything.

Hon. Mr. Davis: Subsidization.

Mr. Laughren: I didn't say that.

Hon. Mr. Davis: With great respect, that is a significant part of the problem in the house construction industry.

Mr. Foulds: Why not? You got into nationalization a couple of days ago.

Mr. Mancini: Mr. Speaker, surely the Premier is also aware that the housing crisis is affecting southern Ontario and, in the riding of Essex South alone, Conklin Lumber has closed its operations in Kingsville, Harrow and La Salle, throwing the people who were working at those yards out of work.

Surely now is the time to implement the program he promised in 1975. I say to the Premier, if he can find \$600 million to buy into some kind of energy company, surely he can find money to put these people back to work and to keep people in their homes.

Hon. Mr. Davis: Mr. Speaker, I am sure the honourable member has been in direct communication with whoever is his federal member, or at least very close to it—in fact, there are two of them, Mr. Gray and Mr. Whelan—and probably with Mr. McGuigan. I know he had meetings with all three of them, indicating to them his concern with respect to federal financial policies. I am sure his meetings with them have been productive and we will see some results of his input to those three Ontario Liberal cabinet ministers when the federal budget comes down in a few weeks.

Mr. Mancini: Did you or did you not promise relief?

Hon. Mr. Davis: When did you last meet with them?

Interjections.

Mr. Speaker: Order. The member for Algoma has the floor.

Mr. Wildman: Mr. Speaker, are we to understand from the Premier's responses that, despite the comments made by representatives of management in some of those lumber mills in the north this week that the whole industry will shut down if interest rates remain as high they are now, this government is remaining a spectator in the whole process and is not interested in becoming involved if the federal government will not take the initiatives that are necessary?

Hon. Mr. Davis: Mr. Speaker, this government is concerned, not just about that particular part of the industry but also about many others who are affected. We have made our position clear on interest rates time and again, and we will continue to press those positions.

TORONTO ICTS LINE

Mr. Cunningham: Mr. Speaker, I have a question for the Minister of Transportation and Communications. Can the minister explain the discrepancy in the projected costs of the Urban

Transportation Development Corporation's waterfront transit proposal, which was estimated in the Board of Industrial Leadership and Development program to be \$90 million and now, according to a Toronto Transit Commission staff report, will be almost double, somewhere in the area of \$170 million, of which Ontario's share is \$153 million?

Hon. Mr. Snow: No, Mr. Speaker. First of all, I would like to explain to the honourable member, as obviously he cannot read, that the BILD program proposes to supply \$90 million towards the first \$100 million of the cost of an intermediate-capacity transit system lakefront program. That commitment was made in the BILD announcement, and that commitment stands today.

As for his estimate of what the total ICTS program for the lakefront might cost, first of all, I have not seen a report from the TTC. I am not aware that one exists; if it does, I am sure it is in many phases. The cost depends on whether the service goes from Bathurst Street to Yonge Street or whether it goes from Highway 27 to the eastern end of Scarborough. There can be a great difference in cost depending on where the terminations of the system might be between those points.

Mr. Cunningham: I do not know why the minister is always the last one to know about these particular problems but, given that according to the TTC staff they have a report that indicates the project is almost going to double in cost, can the minister advise us what kind of effect that will have on the Vancouver project or the Hamilton project? Are the capital estimates for those two proposals, albeit they are very expensive, going to double as well?

Hon. Mr. Snow: First, the ICTS project for the lakeshore has nothing to do with the Vancouver project or the Hamilton project, and if the honourable member had any common sense he would bloody well know that.

I really do not know what appointment he is talking about. As late as last week I met with the chairman of Metropolitan Toronto, the mayor of the city of Toronto and representatives of the TTC and the city. It has only been a week, or no more than 10 days, since my last meeting with those people to discuss this matter, and there was no mention at that meeting of any report, nor was I presented with any report or any estimates like those that the honourable member is talking about; so I suggest he concocted the whole thing.

Mr. Cunningham: On a point of privilege, Mr. Speaker: It is at variance with the rules to have any member of the House suggest that a member has concocted a story. In fact, the information for this story comes from a CBC report which was on the radio this morning. I ask the minister to withdraw that aspersion.

Hon. Mr. Snow: Mr. Speaker, I would not suggest that the honourable member could concoct such a story; so I withdraw the remark.

Mr. Smith: Since the TTC report makes it clear that they expect the cost to be more than \$170 million for something we thought was being estimated at around \$90 million, will the minister tell us what his estimates were of the total cost of running the line to the CNE? What was the estimate that he was working on? He must have had some estimate in mind. If there is a discrepancy between his estimate and the present TTC estimate, what is the reason for that discrepancy?

Hon. Mr. Snow: I am not aware of any TTC estimate because, first, the committee that has been working on this matter, which is a committee made up of representatives of Metropolitan Toronto, the city of Toronto, the TTC and the Ministry of Transportation and Communications, has not come to a conclusion at this moment as to where the terminuses of such a lakeshore route should be, nor do I expect it will for some period of time.

Without knowing the length of the route, as I mentioned in my answer to the previous question from the back-bencher, no reasonable estimate can be made as to what the estimated cost would be.

Mr. Smith: Was the minister starting a project with no idea of the cost?

Hon. Mr. Snow: As I said in answer to the honourable member's question previously, the BILD proposal was for a special funding of 90 per cent, \$90 million out of the first \$100-million cost for the first stage of an ICTS lakeshore proposal. It is a proposal that has to be a very high-priority one, taking into consideration recent developments and the proposed development on the waterfront. Unless a transportation strategy is put into place on the waterfront, I think it would be very difficult to carry forward with the development plans that are in place down there. The BILD announcement proposed a \$90-million up-front commitment to that project.

2:50 p.m.

AUTOMOBILE INDUSTRY

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Industry and Tourism.

In view of the fact that our auto deficit with the United States is \$2.6 billion for the first six months of 1981, up 29 per cent; our deficit with Japan is now at \$776 million, up 120 per cent over 1980; the St. Thomas plant which produces small cars—the first of which was driven off in the middle of the election by the Premier with such great pride—has been on layoff since the middle of August and is not expected to go back until late this year; we have significant continuing layoffs at Chrysler Corporation and Ford; and we continue to have several plant closures in the auto parts sector, does the minister really expect the people of Ontario to consider his \$9.2-million grant to Volkswagen and the automotive parts technology centre an adequate response to the crisis in the automobile industry?

Hon. Mr. Grossman: Mr. Speaker, may I just present the facts in perspective with regard to the St. Thomas assembly plant? Notwithstanding the layoffs to which the honourable member referred, and which obviously are due to the poor state of sales in the North American market, Ford will be recalling some 3,252 workers to the St. Thomas assembly plant in the first week in November. The member knew that when he asked the question. So the St. Thomas plant, at which the Premier participated by driving off the first new automobile recently, will be pumping along at fairly full production in a couple of weeks.

Secondly, I say to the honourable member that he knows, as does everyone else, that the problem in the North American industry is a strict matter of sales and that, in turn, is largely a function of interest rates.

Mr. Smith: The deficit is not a consequence of that. It's your policy that's the cause.

Hon. Mr. Grossman: The Leader of the Opposition (Mr. Smith) can tell Mr. Gray when he sees him, or the member for Essex South (Mr. Mancini) can tell him when he sees him.

May I say to the honourable member that he knows the problem is sales and that what any jurisdiction, state or province, ought to be doing now is to do everything it can to restructure so that it can take maximum advantage of an upward swing in the market, which we expect in 1982.

When one looks at the initiatives this province has mounted, of which the member has

discussed two, there is the Volkswagen plant, which I know the member heartily supports—oh, the member does not support that? The member's party is opposed to the grant to Volkswagen? I do not want to put the member on the spot by having to take a position.

Mr. Cooke: You know our position.

Hon. Mr. Grossman: Let me say, we have the Volkswagen parts plant, which we played a major role in landing for this province, and we have the auto parts technical centre, which the member and all his colleagues are fighting hard to get in their own municipalities.

In addition, we have SITEV America, which the member himself pointed out in this assembly was an important initiative for Ontario to take, and he complimented us on that initiative. SITEV America recently announced it was going to stay in Ontario this coming year in spite of the fact that Michigan tried very hard to lure SITEV to Michigan—in fact, it had announcements prepared announcing that SITEV was moving to Michigan—and in spite of the fact that its very good governor came here to try to lure SITEV America out of this jurisdiction.

When one adds to that the exceptional support we have provided to the auto parts sector through both the employment development fund and the Ontario Development Corporation, the promotion of the duty remission program throughout the world, the extensive discussions we have had with the AMC people which will result in extensive new investment in Brampton—shall I continue? Does the member want the whole list or what?

Hon. Mr. Davis: Keep on.

Hon. Mr. Grossman: The Premier suggests I keep on.

I refer the member to this: Last year he asked me for proof that the boasting we were involved in with regard to how we had succeeded in helping to restructure the auto parts industry in this province was accurate. The member asked that we table the information. We tabled the information; it stands on the record. The leader of the New Democratic Party tried once to show it was inaccurate; he flunked.

The bottom line of it is that, in a period in which the North American automobile industry has been going through a very difficult time, there is no other jurisdiction that can boast 67 major new openings or expansions in the auto parts sector in the past 24 months, creating some—I have the figure; I do not want to be accused by the member's leader of not being

accurate—creating or ensuring some 6,000 jobs and with a capital investment in that period of time of about \$170 million in that one sector alone.

The member knows very well those figures are accurate, and there is no other jurisdiction that can boast the kind of restructuring in the automobile sector that we have seen in this province.

Mr. Cooke: Mr. Speaker, I am sure you will understand the bottom line is that the deficit with the United States is up 29 per cent and that the deficit with Japan is up 120 per cent. There is potential for many thousands of new jobs. If the auto pact were working the way it should be working and if we had a government that had guts to bring in content legislation, we would have thousands more jobs.

The minister says sales are the problem. Is he aware that the sale of imported cars in Canada increased 49.1 per cent in the first eight months of 1981 and that, since the agreement was signed by Herb Gray, from April 1 to the end of July—the first four months of the agreement—imports have risen 70 per cent in Canada at a time when they were supposed to be restricted to six per cent, if I remember correctly?

Taking those statistics into consideration, along with the comment of Mr. Bennett, the outgoing president of the Ford Motor Company, that our auto industry stands to lose thousands of jobs because of the lack of tariff restrictions, does the minister not agree that he should be putting together a package for the federal government to convince them to bring in content legislation to make sure we have adequate numbers of jobs in the auto parts sector and so that we do not have to bribe the foreign corporations to set up or source auto parts from our province?

Hon. Mr. Grossman: First, if the member is asking me to defend the deal the federal government made with Japan, then he failed to note that I was among the first to say the deal was not a real one, was no protection at all and did not even measure up—

Mr. Cooke: What is the minister proposing?

Hon. Mr. Grossman: Why does my friend not be quiet and listen? I said it did not even measure up to the degree of protection the Americans succeeded in negotiating from Japan.

I said, secondly, that the federal government was being quite weak in not insisting with the Americans that they be part of the negotiations

with the Japanese, because it is the historical situation in which the Japanese only needed respond—

Mr. Smith: The minister is in and out of bed so quickly he is going to break the springs.

Hon. Mr. Grossman: I say to the Leader of the Opposition that at least the member for London Centre (Mr. Peterson) knows something about the auto industry. He should take it easy; at least we can discuss it with some intelligence. The leader is not going to help this one along.

Interjections.

Mr. Speaker: Order. Will the minister please address himself to the question?

Hon. Mr. Grossman: With regard to pressuring for content legislation, as the members may be aware, this minister was calling for 100 per cent Canadian value added in a revised auto pact some two years ago. That, of course, includes the targets we should be aiming at in the content requirements we ought to be seeking from the others. That is the position this government had long before the federal government moved up to the 85 per cent level, where it now is in the case of Volkswagen.

In fairness to those who were in charge of the negotiations in Ottawa and who were very helpful in entering a duty remission program which allowed Volkswagen to come to Barrie, the bottom line is that negotiations are often very tough; but we have been clear in saying that our goals ought to be balanced trade and 100 per cent CVA on the Canadian side, and we have been clear in saying we have not got an adequate deal as a country from either the Americans or the Japanese.

NIAGARA RIVER POLLUTION

Mr. Kerrio: Mr. Speaker, I have a question for the Minister of the Environment.

With respect to the Hyde Park dump, which we debated last week, and the frightening threat this poses to the upper river, the minister stated that to intervene it is critically important that it be done on the basis of very sound scientific information. His ministry has not intervened in the Hyde Park dump case, yet scientific information does exist on which his ministry should have intervened.

I wonder whether the minister or his staff is aware of an affidavit, a copy of which I have here, signed by Dr. Douglas Hallett, Canada's foremost expert on dioxin, in which he stated before the judicial committee in Buffalo:

"In conclusion, either the TCDD, the most

toxic form of dioxin, and other hazardous chemicals must be removed and enclosed in an impervious container and maintained indefinitely in a fashion similar to radioactive wastes or, better, destroyed through available incinerators or kilns which have been checked or proven to destroy these dioxins and organochlorine contaminants from this site."

Faced with that kind of evidence, what were the ministry's people doing at those hearings if they did not bring this evidence back to the minister that such people of that calibre were questioning the integrity of that dump?

3 p.m.

Hon. Mr. Norton: Mr. Speaker, I have not seen the specific affidavit, although I am well aware that there are differences of opinion among experts of that calibre as to whether it is a safe procedure to recommend that the material on that site be moved to some alternative location.

There are people who are probably as equally renowned as the individual the member has cited who express concern that attempting to move that material may create a greater hazard than exists at the present time and who say the safest approach might be to put in a well-installed and secure containment with appropriate collection systems on that site.

I am not taking a position that one is better than the other, because I do not know how one could do that as a layman when the experts in the field themselves do not agree.

I can only hope that, as a result of the hearing process that is under way there now, there will be a very full and fair examination of the alternatives and that ultimately the decision will be on the side of the safest possible approach to minimize, if it is not possible to entirely eliminate, any hazard that may be associated with that site.

Mr. Kerrio: It appears that to convince the minister we have to bring two affidavits on a particular subject and not one. This leads me to say that, in addition to that affidavit, we have another affidavit, dated June 29, by Mr. Grant Anderson. As he well knows, Mr. Anderson is the hydrogeologist responsible for determining the safety and suitability of the South Cayuga site; so that should set him up as someone the minister would accept. Mr. Anderson states:

"These toxic chemicals were detected 50 feet below the rock surface on a well drilled over 500 feet northwest of the site. This indicates the

chemicals have already moved 50 feet from the rock surface and are moving through the rock to the Niagara River."

Based on such scientific information, what conceivable justification is there for the Ministry of the Environment to have not intervened yet in any meaningful way with our friends on the American side who have asked us on many occasions to make representation there? I think these two affidavits are ample proof that the minister should be there and doing something to protect the integrity of that whole river and the whole Great Lakes system.

Hon. Mr. Norton: We were there. If the member wants to get into an exchange of affidavits, I can get him affidavits on both sides of that issue from equally competent scientists.

Mr. Kerrio: You said you did not have any evidence.

Hon. Mr. Norton: No. I did not say we had no evidence. I said if we were to participate as interveners, it was important, on the basis of a very soundly based scientific position, that we be able to recommend a particular course of action.

Mr. Smith: That affidavit sounds pretty scientific to me.

Hon. Mr. Norton: Sure. That is one affidavit. But there are two affidavits and they are not making precisely the same recommendations. If the member would be perfectly honest, and since he has some scientific training, he should be able to distinguish between those two.

Mr. Smith: That scares the hell out of me, frankly.

Hon. Mr. Norton: All right. I am not suggesting—

Mr. Smith: Well, intervene.

Hon. Mr. Norton: I wish I could ask questions once in a while, because I would like to know what he would like to—

Mr. Speaker: The minister is replying to a question from the member for Niagara Falls, please.

Hon. Mr. Norton: If the honourable doctor wanted to intervene, I would like to know what he would be recommending.

When there is a division in the scientific community, would he go to New York state on the basis of one affidavit and wave it, saying, "This is what you should do"? They are well aware of that. That evidence is before the hearing. But there are also contrary opinions in the scientific community. It is not simply a

matter of saying on the basis of one or two affidavits, or one on one side and two on the other, that therefore we know the best answer. That surely is what we hope will come out of that process.

There is intervention on the part of a group from Canada. We have offered the best scientific resources we have available to that group. To the best of my knowledge, they have not chosen to take advantage of it yet. We will be meeting shortly with representatives of New York state to discuss that and other issues relating to the river and to acid rain as well.

The point we must bear in mind is that it is not simply a matter of grabbing on to some particular opinion, albeit one that is committed to an affidavit, and assuming that is the be-all and end-all in terms of a very complex scientific problem. I could produce an affidavit for the honourable member from an equally competent scientist, who would say the worst thing one could do is disturb that stuff right now and what one ought to do is get on with the job of putting in containment systems there now. How would the member argue against that? He is not in a better position than any other layman to make that kind of determination.

Mr. Foulds: Final supplementary, Mr. Speaker: I will ask the minister a question he can answer with a simple "yes" or "no." Has the minister asked the Attorney General (Mr. McMurtry) to investigate the possibility of laying charges against any pollutants under the International Boundary Waters Treaty Act of 1909? I understand there is an act of the Canadian Parliament and an American act that endorses that treaty. Has the minister asked the Attorney General to investigate the possibility of laying charges under that act for the transfer of pollution across the border?

Hon. Mr. Norton: I have not specifically asked the Attorney General that question, although I do have several employees of the Attorney General seconded to my ministry, who compose the legal services branch of my ministry. They are law officers of the crown employed by the Attorney General. My legal staff in the ministry have been requested to explore all possible avenues open to us in order to take legal action, which would include that.

TORONTO EMERGENCY HOUSING

Mr. R. F. Johnston: Mr. Speaker, in the absence of the Minister of Community and Social Services (Mr. Drea), my question is to the Provincial Secretary for Social Development. It

regards the matter of emergency housing I raised yesterday, for which I agree the Minister of Community and Social Services has some responsibility.

Today my question is especially in regard to interval houses and emergency shelters for women. Would the minister not agree that the present per diem system, which is different across all the municipalities of Ontario, is totally inadequate? It is forcing interval houses like those in Lanark to consider closing down and causing major deficits for those in the city of Toronto, and is the major cause of a lack of needed expansion in that area. Should the minister not be moving towards a base grant formula? When is the minister going to do that and what is she doing at the moment to ensure that we have adequate emergency shelter for battered women in this society?

Hon. Mrs. Birch: Mr. Speaker, I am quite satisfied that the Ministry of Community and Social Services is addressing that particular issue. I hope in the not-too-distant future we will have some of the answers. The question at the moment is one of financing.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: Perhaps the minister was not here yesterday to know the extent and seriousness of this problem. I wish she would read the papers to understand how dire straits are. People are being turned away from all the shelters in this city. Does the minister not believe it is wrong for the government to leave it up to the municipalities to set standards for those shelters and not provide the kind of assistance that is needed for battered women in this society, in order to take into account such things as day care for their kids, lawyers, job-seeking opportunities and that sort of thing, instead of letting these interval houses flounder, as they are doing at the moment?

Hon. Mrs. Birch: No, Mr. Speaker, I strongly believe local municipalities are quite competent to look after some of those issues. I do not believe in establishing policies based on reported stories in the newspaper.

Mr. Philip: Supplementary, Mr. Speaker: In our deliberations in the justice committee on the inquiry into Ontario Housing Corporation, and in the light of the recommendations of that report, defeated by the government, which suggested that Ontario Housing be expanded so that the empty-nesters not be thrown out on the streets the way Ontario Housing is doing and so that poor people, who are not at present

covered under the mandate of Ontario Housing, would be covered, is the minister, in co-operation with the Minister of Municipal Affairs and Housing (Mr. Bennett), prepared to see that mandate of Ontario Housing expanded so that those people have adequate housing and are not out on the streets in this province?

3:10 p.m.

Hon. Mrs. Birch: Mr. Speaker, the minister of housing is quite aware of the problem that exists with some of those whose families have grown and left, but there are also many other families on waiting lists who have a number of children and who do require housing.

I think sometimes the honourable member forgets that those people who have had the advantage of raising a family and receiving assistance in doing so should be quite grateful for that. Perhaps he forgets they should make room for those who have new families who are coming along and have a greater need for that type of housing and assistance.

USE OF FRENCH LANGUAGE IN THE COURTS

Mr. Roy: Mr. Speaker, I would like to ask the Attorney General what is the delay over designation under the Judicature Act of the use of both official languages in our civil courts?

The Attorney General will recall it was back in 1978 that he, the former member for Lakeshore and I sat down and devised a system we felt was reasonable. It would allow the Attorney General in due time to designate areas of the province for the use of both official languages in the civil courts. That law has been proclaimed since 1978 and the Attorney General has not made any designation for civil courts. In my opinion he has enough judges, personnel, pleaders—all the necessary requirements—to allow the use of both languages in those areas, so what is the delay?

Hon. Mr. McMurtry: Mr. Speaker, I know the honourable member appreciates this is a complex and very important issue. We are very close to designating some areas within the next several weeks. Our very excellent French-language co-ordinator, Etienne Saint-Aubin, was very seriously ill for some months, but we had a meeting with the chief justices and the chief judge of the county court last week to work out some of the final details. I hope to announce this very shortly.

I appreciate the member's interest in the matter.

Mr. Roy: I appreciate that Mr. Saint-Aubin was sick over the summer holidays but it has been three years now since the law was proclaimed. Would the Attorney General advise whether he has been receiving adequate co-operation from the judges? My information is that there was some reluctance on the part of some of the judiciary in proceeding with that.

I am advised as well—and would the Attorney General confirm this—that some of the judges and some of his officials are allowing pleadings to take place in the French language although there is no jurisdiction to allow them. Would the Attorney General proceed with the designation and legislate the practice?

Hon. Mr. McMurtry: There are judges who have a significant capacity as far as the French language is concerned who are a little apprehensive. It is one thing to speak French well and another thing to plead in French; even something more to judge in the French language. So there has been some apprehension on the part of some of the judges simply because they want to do it well. But the co-operation of the chief justices, the chief judges and senior judges has been excellent.

ONTARIO ENERGY INVESTMENT

Mr. Nixon: On a point of order, Mr. Speaker: A week ago the Premier (Mr. Davis) made a statement announcing the government's intention to purchase 25 per cent of Suncor. Since that time, I understand you have been trying to elicit from him a compendium of information that will be laid on the table, as is required by rule 26(c). Can you report to the House, in the Premier's presence, what success or lack of success you have had in that connection?

Mr. Speaker: I am surprised the compendium has not been made available, but quite obviously the Premier has taken note of it.

Mr. Nixon: What do we have to do to get the information?

Mr. Speaker: I am sure it will appear—

Mr. Nixon: Perhaps the Premier would indicate what his reasons are by standing up and telling the House.

Mr. Speaker: Order.

Hon. Mr. Davis: I would be delighted to provide as much information as I can. If the honourable member is expecting a series of confidential interministerial or government memoranda—

Mr. Nixon: Just give us the information you used to make the decision.

Hon. Mr. Davis: I could tell the member that verbally but I will try to get him some amount of documentation. It was a complex issue but the decision was relatively simple. We decided to buy 25 per cent of Suncor. I will get the member whatever information I can in terms of documentation. I just forewarn the member there is not a heap or a pile of papers with respect to it.

Mr. Nixon: Whatever the Premier had available to him.

Hon. Mr. Davis: It may be Mr. Mel Hurtig's speech to the member's annual meeting in Hamilton.

Mr. Foulds: On the same point of order, Mr. Speaker, there are two points I would like to make. Why was it possible for the Premier to provide those glossy brochures to everybody in the media studio at four o'clock that day but it was not possible for him to supply them to members of the Legislature before that and it has not been possible subsequent to that? Secondly, is that all the documentation he had on which to make the decision? Was there not, as my question number 145 indicates, further consideration by cabinet? Was there not further documentation as there was in the case of Project Wellesley when Ontario Hydro was considering taking over the uranium mines?

Hon. Mr. Davis: Mr. Speaker, I was just discussing it with the Minister of Energy (Mr. Welch). I understand that what was distributed to the press was made available to the honourable members in their boxes downstairs or wherever.

Some hon. members: No, no.

Hon. Mr. Davis: If it was not done, we can make sure the members get it. That is the Minister of Energy's understanding.

Mr. Speaker: I just want to say that the day the Premier made the announcement, he made it clear the information would be made available that same day.

Mr. Nixon: He said to come to the press conference.

Mr. Speaker: No, he did not.

Mr. Peterson: On that same point of order, Mr. Speaker, we have a massive expenditure of taxpayers' funds. At this point, at least, there is no indication it will come before the House for review because the Ontario Energy Corporation has the power to borrow this money without legislative scrutiny. It is a very serious amount of money.

We have not had access to either the Price

Waterhouse or the McLeod Young Weir study which valued these assets on behalf of the Ontario government. There is this massive expenditure and great amounts of money, I assume, spent in consultants' fees. Surely the taxpayers and this Legislature should have an opportunity to scrutinize those documents to make sure the taxpayer is getting full value for those expenditures.

Mr. Speaker: I am sure the Premier has taken note of the members' concerns and will make the information available.

Mr. Smith: On the point of order, Mr. Speaker.

Mr. Speaker: No, this is deteriorating into a debate.

Interjection.

Mr. Speaker: Certainly there is. We have heard the different points of view.

Mr. Smith: There has been a week for him to comply—

Mr. Speaker: That is right.

Mr. Smith: —and all you are telling us is that he will some day. That isn't your decision to tell us.

Mr. Speaker: Order. I would just point out there is a basic standing order in this House that when the Speaker is on his feet everybody else will resume their seats. The Premier has made it very clear this information will be made available.

Mr. Smith: He has had a week.

Mr. Speaker: All right, he has had a week. I have not seen it. Apparently he was under the impression the information had been distributed. He has undertaken to do that again. I am not sure what the information is. The members have made it very clear what the information is they want.

Mr. Peterson: Mr. Speaker, the rules of this House—

Mr. Speaker: That is exactly right. I am on my feet so sit down. I caution the member for London Centre (Mr. Peterson) that I will not put up with any more. That is a contravention of the rules. That goes for other members too.

Mr. Smith: This is the biggest deal in five years and the Premier cannot give us the information he bases it on. If he is going to be

able to ask us whether we are in favour or against, how can we even say if we have not seen it?

Mr. Martel: Mr. Speaker, a new point of order.

Mr. Speaker: Order. A new point of order; the member for Sudbury East.

3:20 p.m.

METRO POLICE COMPLAINTS PROJECT

Mr. Martel: Mr. Speaker, the Attorney General (Mr. McMurtry) indicated he was going to have an amendment to the legislation to be considered tonight.

Interjections.

Mr. Speaker: Order. You have all had the opportunity in question period to ask questions. The member for Sudbury East (Mr. Martel) is raising a point of order.

Mr. Martel: Standing rule 58 says that he should provide, if time permits, the amendments for the opposition. Is the Attorney General prepared to provide those amendments now, or is he just going to try to pop them on the committee at eight o'clock tonight?

IRWIN TOY DISPUTE

Hon. Mr. Elgie: Mr. Speaker, I rise in response to a question of personal privilege raised yesterday. I understand that in my absence yesterday a member of the third party indicated I may have misled the House in an answer I made to the member for Beaches-Woodbine (Ms. Bryden) on Friday, October 16, in response to her question about Irwin Toy. I have read the response I made on that occasion in which I indicated that to my knowledge there had been no accusations or charges made before the labour relations board of any unfair labour practice. Now I would like to clarify the matter.

On July 9, an unfair labour practice complaint was filed, but on August 5, both parties—labour and management—requested that matter be adjourned sine die. It is no longer an active matter before the board, and therefore there is at present no matter before the board. If anyone in this House was misled about any active matter relating to an unfair labour practice being before the board, then I apologize, but there is at present no matter before the board. It has been adjourned sine die.

MOTION

COMMITTEE SUBSTITUTIONS

Hon. Mr. Wells moved that the following substitutions be made: on the standing committee on resources development, Mr. Laughren and Mr. Stokes be substituted for Mr. Renwick and Mr. R. F. Johnston, and on the standing committee on the administration of justice, Mr. Renwick and Mr. Swart be substituted for Mr. Laughren and Mr. Philip.

Motion agreed to.

INTRODUCTION OF BILLS

CREDIT UNIONS AND CAISSES POPULAIRES AMENDMENT ACT

Hon. Mr. Walker, seconded by Hon. Mr. Gregory, moved first reading of Bill 151, An Act to amend the Credit Union and Caisses Populaires Act.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, today I am introducing for first reading an amendment to the Credit Union and Caisses Populaires Act. Since 1976 when this bill was first passed, there have been no major changes, although there have been substantial changes in the financial community which we feel it is time to address. The original act established a \$50-million fund for the Ontario Share and Deposit Insurance Corporation, and in the intervening years that amount has lost its significance. We therefore intend to allow for a guarantee as a protection for consumers, pending the increase of the original fund—

Mr. Roy: Speak up.

Hon. Mr. Walker: Maybe he could turn up the juice up there. In recent months, the financial capability of credit unions and their leagues has diminished, particularly with respect to their ability to compete with chartered banks for the consumer's dollars. The ministry's financial institutions division has been meeting with the credit union industry and with OSDIC in an effort to develop appropriate solutions. These groups have indicated their support for the government position, and we would like to express our appreciation to them for their valuable input.

By way of background, there are about 1,000 credit unions in Ontario. I want to make it very clear that most of them are operating soundly and with no need of financial assistance in any form. We fully expect that their financial health

will continue. However, to provide some short-term assurance to OSDIC that members' needs and obligations will be met, the bill extends the powers of OSDIC to obtain guarantees from the government of Ontario in the fulfilment of its objective of insuring the deposits of the two million members of credit unions in Ontario.

In addition, the bill will enable OSDIC to take under direction a league that might be in unsound financial condition or not carrying on operations in accordance with sound business and financial practices. There is at present no such power under the act with respect to the leagues, but there is a similar power with respect to individual credit unions. The act also enables the Lieutenant Governor in Council to replace league directors on the OSDIC board, which is in part a representative board with directors nominated by the leagues. This might happen where, for example, a league was taken under direction.

The power for the government to guarantee OSDIC's obligations to insure members' individual deposits is our commitment to the credit union movement and is in line with similar initiatives taken by five other provinces. The power to assume direction of a league is a logical extension of the powers with regard to individual credit unions and appropriate protection, given the kind of government guarantee that could be forthcoming.

CITY OF KANATA ACT

Mr. Mitchell moved, seconded by Mr. Watson, first reading of Bill Pr31, An Act respecting the City of Kanata.

Motion agreed to.

GLOBAL NATURAL RESOURCES LIMITED TRUST ACT

Mr. Williams, on behalf of Mr. Rotenberg, moved, seconded by Mr. Jones, first reading of Bill Pr21, An Act respecting the Trusteeship of the Balance Share Warrant of Global Natural Resources Limited.

Motion agreed to.

NOTICE OF DISSATISFACTION

Mr. Speaker: Before proceeding with the orders of the day, I would like to bring to the attention of all members that, pursuant to standing order 28, the member for Nickel Belt (Mr. Laughren) has given notice of his dissatisfaction with the answer to his question given by

the Minister of the Environment (Mr. Norton) and the matter will be debated at 10:30 p.m. tonight.

3:30 p.m.

ORDERS OF THE DAY

House in committee of the whole.

IDEA CORPORATION ACT

Consideration of Bill 47, An Act to establish a Corporation to Promote Innovation Development for Employment Advancement.

Mr. Chairman: Does the parliamentary assistant have any opening comments?

Mr. Jones: Very briefly, Mr. Chairman. The other day when we had second reading of this bill, honourable members will recall we mentioned the fact there were minor amendments intended to improve the bill. Today I have four. If I may, I would move that section 4(3) of the bill be struck out and the following substituted therefor—

Mr. Chairman: Mr. Jones, wait. We will have to see if there is any further general discussion before we get into sections.

All right. Would any member like to speak on any specific section of Bill 47?

Interjections.

Mr. Chairman: Order, please. We are having some difficulty hearing other members.

Mr. Renwick: I would like to speak on a section before the one to which the parliamentary assistant is addressing his comments: section 4.

Mr. Chairman: Section 4. Is there any discussion any members would like to partake in on any sections up to and including section 4—not including section 4?

On section 1:

Mr. Renwick: Mr. Chairman, I am going to speak a little bit later, particularly when we come to section 11 of the bill, and also with respect to section 10 of the bill on matters relating to industrial property.

I am not satisfied that that definition of industrial property as contained in section 1(d) of the bill is adequate to cover what is commonly known as knowhow or additional information other than that which can be classified as property. I wanted to ask the parliamentary assistant if he has any sense of where this definition of industrial property was taken from, who drafted it and what its ambit is.

Mr. Chairman: Might I ask the member for Riverdale if that was section 1(d)? Is that the section you are referring to?

Mr. Renwick: It is in section 1 of the bill.

Mr. Jones: Mr. Chairman, there has been a great deal of work in this area under the IDEA Corporation leading up to the legislation for IDEA. I would be anxious to hear what suggestions the honourable member has for improving the wording. I can tell him that the legislative staff of Treasury and the legal department went through this, as I understand it, with a fine-toothed comb. They have been through it again more recently, leading up to the amendments. So I can tell you—

Mr. Chairman: Mr. Jones, we are having difficulty hearing you down at the table for some reason. Maybe you could just speak a little louder.

Mr. Jones: Okay. I think probably—
Interjections.

Mr. Chairman: We are in committee of the whole House, though, so the rules for committee of the whole House do apply.

Mr. Conway: Rules do not apply if the Premier (Mr. Davis) does not know them.

Mr. Chairman: Mr. Jones has the floor.

Mr. Jones: Mr. Chairman, I will move over here and speak from this mike. It seems to be on.

My comment to the member was merely that the wording in this section was the product of many weeks of preparation in the bill and it was recently redone. It was a result of the legal services of the Ministry of Treasury and Economics, and it has been given considerable review by legal counsel. They felt these were generally accepted legal definitions. Since the amendments we are bringing forward today were yet again the product of reassessment, I can only suggest that it has had quite a bit of review and review yet again.

On another matter of comment by the member, I think he touched on section 11(3). I do not know if he has that, but there is an amendment under 11(3), incidentally; whether he has a copy of that I am not sure.

But concerning the wording, I can only tell the member that it is a result of the legal services of Treasury and Economics.

Mr. Renwick: Mr. Chairman, I do not intend to pursue it. I get quite concerned when the government brings in bills such as this and then expects us, in a very technical and specific

world of knowhow, to be faced with having to ask questions about a basic and fundamental definition in the bill.

I draw the parliamentary assistant's attention to the reference in section 10(2)(c) of the bill which speaks about industrial property but then goes on in a much broader framework to refer to other items. It says the corporation will have power to: "acquire, develop and deal in industrial property, licences, inventions and processes..." There is nothing in the definition of industrial property which talks about licences, inventions and processes, or else there is a confusion between the definition of licences, inventions and processes, or the commonly-known word "knowhow"—which is involved in technological knowhow.

I think the definition of industrial property, which is the key to what the bill is about, is defective in its definition. The flaw in the definition is reflected in the language of the objectives set out in section 10(2) of the bill. I do not know whether the parliamentary assistant will stand the bill down in order to make certain that is the best possible definition the ministry is able to obtain. I do not know whether they consulted outside. I do not believe the government has experts in the field of industrial property in the employ of the government. It is a very specialized and technical field and the whole basis of this bill depends a great deal upon the adequacy of that definition.

I do not intend to pursue it further and give my suggestions about what it should be. I am not an expert in that field myself, but the very fact that in a subsequent section of the bill you have seen fit to elaborate industrial property in a way which is not in my judgement covered by the original definition would indicate to me the definition is therefore defective.

Sections 1 to 3, inclusive, agreed to.

Mr. Chairman: Just prior to your rising, since it is indicated you are amending section 4(3), would it be useful for clarification to carry subsections 1 and 2 of section 4? Shall 4(1) and 4(2) carry?

Sections 4(1) and 4(2) agreed to.

On section 4(3):

Mr. Chairman: Mr. Jones moves that section 4(3) of the bill be struck out and the following substituted therefor:

"The Lieutenant Governor in Council shall designate one of the directors as chairman of the board and another of the directors as president and chief executive officer of the corporation."

Mr. Jones: Very briefly, Mr. Chairman, it is felt that a full-time president is the best way to go in order to free the chairman to work with the other directors and have full duties as a director.

Mr. Nixon: I am interested the ministry did not consider this possibility before now. I wonder if the assistant can explain to the House what he thought would happen if we were not prepared to have the Lieutenant Governor designate the leadership of the corporation?

There is another thing that concerns me about resurrecting retreads from either this House or from your own party who would go into a job like this with a substantial emolument and a lot of perquisites—particularly into a position which could very well be supported on a per diem basis rather than a full yearly salary of \$60,000 or \$70,000, plus car and driver, plus, plus, plus.

3:40 p.m.

My first question is: What did you think you were going to do as far as the leadership of the corporation is concerned before this amendment came in? Can you assure us you are contemplating the appointment of people with some knowledge and experience in the area in which this corporation will be acting and not just providing another cosy sinecure for your armies of supplicant friends?

Mr. Jones: I appreciate the comments of the member. I can reassure him that the quality and calibre of the people who are proposed to become directors of this corporation, as was brought out in the debate on second reading, are to be drawn from sections of industry that would touch upon the new technology field and from our post-secondary institutions. Potentially, they would be drawn from as wide a base as would be needed to satisfy the main intent of the IDEA Corporation, which is that linkage process between the universities and the other post-secondary institutions, labour, government and industry.

Mr. Nixon: That sounds like your definition of a defeated candidate.

Mr. Jones: No, I think someone raised the concern during second reading that somehow or other it was to be yet another proposal for alternatives to PAs or something. I think they were just making light on that occasion because, while there is a reference to that in the bill, that was merely not to preclude that situation as the legislation was drawn, although it certainly was not a thought.

I appreciate what the member is saying. As

we launch IDEA Corporation, the individuals have to be of a calibre who would be actively involved and who would have the entrepreneurial spirit that is the thrust of IDEA Corporation. The government will be taking the member's comments very much to heart. They have to be high calibre individuals drawn from the vital sections of those four main areas of our economy and others who have been involved in the high tech area.

Motion agreed to.

Mr. Chairman: I see no further discussion of subsections (4), (5) and (6). Shall they carry?

Sections 4(4) to 4(6), inclusive, agreed to.

On section 4(7):

Mr. Jones moves that section 4(7) of the bill be struck out.

Mr. Peterson: Can we have an explanation as to why you brought in that amendment? Why should the Lieutenant Governor in Council not have the power to dismiss a director?

Mr. Jones: I appreciate the question by the Liberal critic. The main reason probably is that it is more a matter of style. We are proposing to have an IDEA Corporation in which the directors are able to be innovative. I know in the debate the other evening that was one of the chief concerns—

Mr. Peterson: Is this like tenure in the universities?

Mr. Jones: No, I would think it is making this corporation in its design more like the Ontario Energy Corporation, the Ontario Housing Corporation and the Ontario Universities' Capital Aid Corporation. From the very outset the people in the corporation know they have a certain amount of independence rather than having the Lieutenant Governor in Council there with a guillotine which can all of a sudden go snap.

I know the three years for time of service was designed into the bill with the intention of giving sufficient time so people could have continuity. I would say this amendment flows from that same thinking.

Motion agreed to.

Section 4, as amended, agreed to.

Sections 5 to 8, inclusive, agreed to.

On section 9:

Mr. Chairman: Mr. Renwick moves that section 9 be deleted and the following substituted therefor:

“9(1) The corporation may indemnify a direc-

tor or officer of the corporation, a former director or officer of the corporation and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation, if (a) he acted honestly and in good faith with a view to the best interests of the corporation, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

“(2) The corporation may, with the approval of the court, indemnify a person referred to in subsection 1 in respect of an action by or on behalf of the corporation to procure a judgement in its favour to which he is made a party by reason of being or having been a director or officer of the corporation against all costs, charges and expenses reasonably incurred by him in connection with such action if he fulfils the conditions set out in clauses (a) and (b) of subsection 1.

“(3) Notwithstanding anything in this section, a person referred to in subsection 1 is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by him in connection with the defence of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the corporation, if the person seeking indemnity (a) was substantially successful on the merits in his defence of the action or proceeding, and (b) fulfils the conditions set out in clauses (a) and (b) of subsection 1.

“(4) A corporation may purchase and maintain insurance for the benefit of any person referred to in subsection 1 against any liability incurred by him in his capacity as a director or officer of the corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interest of the corporation.

“(5) A corporation or a person referred to in subsection 1 may apply to the court for an order approving an indemnity under this section, and the court may so order and make any further order it thinks fit.

“(6) Upon an application under subsection 5,

the court may order notice to be given to any interested person. Such person is entitled to appear and be heard in person or by counsel."

3:50 p.m.

Mr. Renwick: Mr. Chairman, I regret the untidiness of the form of the amendment I have put before you, but I did not have a chance to have it transcribed in a clean copy. I simply want to say that later on today we will be dealing with the clause in Bill 6, An Act to revise the Business Corporations Act. It sets out probably as good a clause concerning indemnification of directors as exists anywhere in the province. The clause in this bill with respect to the indemnification of directors in section 9 is inadequate, to say the least.

I do not want to go on at any length about this amendment. The whole question for a long time has been a vexed one about the circumstances and terms and conditions under which a director or officer of a corporation is entitled to be indemnified at the expense of the corporation for claims against the corporation. There have been any number of versions of that clause in order to make certain that a director or officer is not entitled to indemnity unless he acted honestly and in good faith, and in the best interest of the corporation, and, in the case of criminal or other similar action, that he had reasonable grounds for believing that his conduct was lawful.

The clauses are an elaboration of that fundamental principle. As we will be debating later on today the Act to revise the Business Corporations Act, I thought it just made common sense that the IDEA Corporation should incorporate the best language possible with respect to that kind of indemnification. All I have done is to take section 135 of Bill 6, with appropriate wording amendments to make it fit the situation. I recommend to the House that it be substituted for section 9 of the bill as it now stands.

Mr. Peterson: Mr. Chairman, I am attracted to the amendment proposed by the member for Riverdale, and I would support it on behalf of our party. It seems to me it outlines more fully the concept of responsibility we want to impose to protect anyone acting in good faith. But, at the same time, as I understand the amendment, the honourable member does still impose an onus and does not establish an absolute indemnity in all cases if there be mala fides or bad faith. I think an enlightened amendment to this

bill would help it substantially, particularly as it is a crown or public corporation, and I veryngly support it.

Mr. Jones: Mr. Chairman, I respect the legal judgement, as always, of the member who moved the motion. However, I would ask both him and the member from London Centre (Mr. Peterson) to reflect for a moment that the concept of the IDEA Corporation is so different from others we might be comparing it with, and certainly from the normal corporation of the day. I appreciate his comments, and I suppose I would agree with them in almost every case but IDEA.

I just ask the two speakers to consider that, whereas in normal corporations perhaps, to use a crude term, the buck is one of the main lures to attract the high calibre persons wanted, the type of person envisaged for the duties of directorship in the IDEA Corporation would more likely be a person attracted for reasons of public spirit. He would probably be wanting to contribute a very specialized background, coming, as the members say, from this diverse breakdown, not only of the broad groupings of labour, industry and government, but with very specialized skills and that entrepreneurial instinct we know must happen in this field. As we read the objects and the powers of the corporation, I think we know we need a unique individual.

The amendment as proposed tends to lay down the condition of whether he has acted honestly, in good faith and so on—probably it is more like the traditional indemnification clauses in corporations, but the indemnification in the IDEA Corporation is admittedly, I suppose, broader. This was done intentionally in the drafting because of the recognition of the uniqueness of the IDEA Corporation and of the fact that we will be attracting very high-calibre, unique people and not attracting them in the usual dollars-and-cents way.

Also, I suppose as we think about the IDEA Corporation being in the field of research and development, seeking at new horizons, we were anxious that those people who would be nominated to serve should have the broadest possible indemnification clause in the legislation that creates the IDEA Corporation.

Mr. Renwick: Mr. Chairman, I have a very brief comment. If the parliamentary assistant believes in some way what is good for every other corporation in the province is not adequate or is too stringent for a corporation of this nature which is being devised by the government for promotional purposes, that it is there-

fore in some exceptional category—so be it. I am not going to argue with him. The facts of the matter are just not so.

The second thing is that one does not, out of the goodness of one's heart, invite people to be directors of the corporation and then say to them they have some lesser obligation to the firm than directors of any other corporation have, just because the corporation is engaged in serving the public interest.

It seems obvious to me that while there are many people who provide public service, this does not mean they should not take on a job as a director or an officer of such a corporation as this unless they are prepared to give their best skill, judgement, attention and bona fides to the business of the corporation.

Also I find it very difficult to believe that later on today or in the course of this session, the government is going to say to every other corporation in the province that because it has devised this corporation for the promotion of their governmental purposes, somehow or other different standards should apply. I think it is quite inappropriate and quite unwise for the government to reject the amendment.

Mr. Peterson: Mr. Chairman, I am more and more convinced that this clause is absolutely necessary. An absolute indemnification is most dangerous in a company of this type—a company that is going to be involved in a multiplicity of investments. We have to make sure they are at arm's length, that there are no potential conflicts of interest. It is going to be far-reaching, I assume, in its influence—the kind of company that maybe takes a piece of this or a share of that or gives a loan here or there.

We have seen situations before—and I do not want to paint a great black picture at this point—where the old-boy network or the influence network works, where one person who happens to be a member of the same club, the same party or something or other, tends to use that influence to persuade others in a political sense to invest or participate in his particular action.

Those things are realities. The parliamentary assistant knows it and I know it. If we allow an absolute indemnification for that potential kind of non-arm's length transaction or conflict of interest—there are other kinds of legislation that would be offered in some of these cases. But I think the member for Riverdale (Mr. Renwick) makes a very fine point about the standard of service we expect from people who

contribute to the public service. His amendment would not dissuade one responsible director from being a member of the board.

Frankly, I think if anybody looked at that clause and was not prepared to be a director because that absolute indemnity was not there we would not want him on the board anyway. I think it is a responsible amendment that ties in with the other amendments this afternoon. I very much think it should be included.

4 p.m.

Mr. Jones: Mr. Chairman, I had hoped to persuade the members that the IDEA Corporation is something unique and different from anything ever created in the—

Mr. Peterson: It is not that different from the SBDCs.

Mr. Jones: I know. But the member for London Centre (Mr. Peterson) still has the Sylvester thing on his mind. This is an entirely different situation. These people—drawn from that broad base—are high-calibre people, people at the top of their respective fields. They could not help but say to this why should I enter into something as unique as the research and development field in this fast-changing world if this indemnification is not in there. I suppose we might prohibit the participation of someone.

We do have a difference of opinion on that. If they are going to serve we felt they should have the broadest possible indemnification because of the uniqueness of it. I do not suppose we are going to change each other's thoughts on that.

Mr. Chairman: All those in favour of Mr. Renwick's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

Section 9 agreed to.

On Section 10:

Mr. Wildman: Mr. Chairman, I have some questions with regard to 10(2)(b).

Mr. Chairman: The member for Algoma is questioning 10(2). Again, it is useful for myself and for clarification to carry the previous subsection. If there is no further discussion on 10(1)(a), (b) or (c), shall that subsection carry?

Section 10(1) agreed to.

Mr. Wildman: I would hope the parliamentary assistant could clarify what is meant by the terms "promote and develop co-operation in research" among these various institutions. Specifically, there are the questions I raised during the second reading debate with regard to universities and research centres.

The question that seems to be nagging us is that of pure scientific research as opposed to applied research. That is, what relationship is there between the two? What emphasis is going to be placed on assisting the universities and other research centres to carry out research which may not immediately appear to have quick application? Technological advancement is dependent upon what is sometimes considered to be esoteric research, research that may or may not have immediate obvious application.

There is some concern among the research community about the approach being taken by this government. The Council of Ontario Universities made a proposal to the government in February 1980 for the establishment of an Ontario research council, but this is what is being proposed instead of that kind of an idea. There is some concern there may be a lot of money provided for research into a better mousetrap but not research, for instance, into astronomy or something like that, which may or may not have an immediate application in the industrial world.

Mr. Jones: It is true, and I suppose it is appropriate to review it under that section, that probably the central purpose—I think it came up, and I hope it did, in the debate the other night—of the IDEA Corporation is to develop that linkage between various individuals, as well as such groups as universities or other post-secondary institutions, at all stages of the innovation process. By trying to be the entrepreneurial linkage, there certainly is no intention in the policy design of the IDEA Corporation to preclude pure research or to restrict to applied research. Rather, as that linkage responsibility of the IDEA Corporation would be taking place, we would see decisions taken with the focus certainly on R and D.

I suppose it is natural that in marriages between private-sector groups their focus would tend to be on those things that could stimulate the economy and have a practical application. But there is no exclusion of university needs except, I suppose, in so far as the nature of decisions taken by the directors of the corporation has that main central purpose of being the link between post-secondary bodies on one hand and the private sector on the other, or, for that matter, individuals.

It is natural to see them working on improvements in the production process of certain industries, whether it be to reduce the cost or to help us compete in industrial markets around the world. But I certainly have not heard of any

restriction, nor do I know of any, in the policy that took place as to how best that funding would be used. It might flow through from the IDEA Corporation to post-secondary.

I have certainly heard, and I expect it would be very much a part of the process, as we were debating the other evening, one university saying it is having good luck with some of the programs where private sectors are given grants for specific research work. Sometimes they are having problems with the physical plant, sometimes with support staff, whether it be secretarial or because a dean in a university is doing administrative work and not being freed up for some of his scientific work.

I think we can expect to see those types of decisions being made relative to the needs in that particular institution. We are talking about universities and post-secondary. That is very much the type of freedom we want to see the IDEA Corporation have and use as it works with the universities in that example. We are not out to shackle. That is one of the reasons the IDEA Corporation wanted to have the flexibility we are building into it.

Mr. Wildman: Mr. Chairman, I appreciate what the parliamentary assistant is saying and I hope I have not given the impression I am in some way opposed to the kind of practical research he has given examples of—obviously not. But I am sure he would agree that in many cases today the technological innovations we have benefited from are, in the long run, the result of research that only a few years ago, in many cases, did not appear to have any practical application. Without that kind of research ongoing, we are not likely to have the kind of technological advancements we are all hoping will be brought about and that we will have more of in this province.

Specifically, I would like to know if there is the possibility under this particular legislation that the IDEA Corporation would provide funding to assist in the upgrading of labs—for instance, in the universities, with the purchase of equipment and so on. Because of inadequate funding from the Ministry of Colleges and Universities over the last few years, we have found our labs are in such a state that in many cases they could not carry on the kind of research projects the scientists would like to be able to do, simply because they do not have the up-to-date equipment.

4:10 p.m.

Mr. Jones: Briefly, I am sure the honourable

member and I are not going to agree on all of his comments because, as I say, the needs tend to vary, judging by the dialogue I have had with people in our post-secondary institutions. They tend to vary. Sometimes they are a hard service by nature, sometimes they are a support service by nature, and often I suppose they could be referred to as a soft service by nature.

In the administrative decisions that will be taken by the IDEA Corporation and the nature of the people who will serve in its direction, I would think they would be out to serve the one end we have all talked about: the innovation, the R and D and the ability to deliver in the fast-changing technological era we are living in.

Whether it be in the upgrading of the actual equipment within a scientific laboratory, within a post-secondary educational system or wherever that need for improvement may take place, there certainly is no prohibition intended for the funds that would be flowing into those institutions.

Quite the contrary; just to set the members' curiosity to rest on that point, that would be one of the very valid uses of those funds and would be deemed to be going to meet the need, if that is the need at that particular institution.

Mr. Renwick: Mr. Chairman, I would like to speak to another dimension of the problem raised by my colleague the member for Algoma (Mr. Wildman). I have been concerned for some considerable period of time about what happens to the research and development work that is done at the universities in large measure through the use of public funds, and what protection there is in the various universities in the province that are engaged in various aspects of research and development, to make certain that the information, knowledge, patents, inventions and other industrial property that are developed with public funds remain in the public domain.

This is the first time we have had an opportunity to address that question in a way that will ensure there is no encroachment upon either academic independence or freedom in the province. I want to emphasize what my colleague has said: We are supporting the bill; we are supporting the role of the government as a promoter of research and development in a highly technological society so that we can be in a position to have as alert, alive and creative an intellectual atmosphere in those fields as is conceivably possible, fields in which this government, up to now, has been significantly devoid of concern or interest.

The specific provision that bothers me is the

protection the public domain is going to have when one of the principal objects of the corporation is to bring together the research capacities of the public sector with the commercial and industrial sector. The commercial and industrial sector is, of course, a private sector. I think the parliamentary assistant—indeed, every member—would have difficulty in gainsaying the suggestion that the great bulk of the funds and facilities that are available at the universities in this province are from public funds.

I would like to know what policies this government has in mind to make certain that co-operation between the public and private sectors for the promotion of research and development is carried out in such a way that the public interest is fully protected.

I assume, as a very simple proposition, that there should not be any development in the university which does not fall within the public domain. I assume and respect that if it is done within the commercial and industrial sector of the province, it falls within the private domain.

In subsection 3 of this section of the bill, the government is specifically precluding itself from participating directly in research and development; its sole role is that of a promoter. In a colloquial way, the government thus can say that the academia and the industrial and commercial sector can each scratch each other's back to make certain that technological development and research work are carried on adequately and properly.

I am very much concerned that we will see intruding into Canada—if they have not already done so, and I do not presume to have any special knowledge about it—the kinds of connections between institutions of learning and the private sector that have taken place in the United States. Let me use a large but important distinction that happened when the Massachusetts Institute of Technology entered into an agreement for a research and development project of a magnitude that is quite likely not even envisaged in the province by the IDEA Corporation. I will pose the problem that arose in that specific case.

MIT has a guide to research agreements with industrial sponsors. It entered into an agreement with Exxon Corporation. Let me contrast the two provisions. With respect to patents, the guide states: "The institute . . . retains title to inventions made under its sponsored programs with the understanding that it will license them in the public interest under an active patent

management program in which licensing of industrial research sponsors is an important part. Both the institute and the inventor share in the proceeds of royalty-bearing licences."

Let me emphasize that particular portion of the quotation I have just read: It will license them in the public interest under an active patent management program. Yet in the actual agreement that was entered into between MIT and Exxon, this is the provision: "Exxon and its affiliates hold an irrevocable, worldwide, non-exclusive, royalty-free licence under all sole and joint contract patents without accounting to MIT."

There we have an example of a direct divergence between the policy of MIT with respect to the public domain, into which the results of its intellectual efforts fall, and what happened to that institution's guide when it entered into an industrial sponsorship with Exxon.

Let me deal with another area, not so much even in the esoteric world of an actual patented invention, but just in the availability to the public of the knowledge and information that come out of the public institutions of learning in the province. Again I quote from the same guide for MIT with respect to publications and copyrights:

"The institute's research activities are conducted as an integral part of the total educational program, and much of it forms the basis for articles in professional journals, seminar reports, presentations of professional society meetings and student dissertations and theses. The institute cannot, therefore, undertake research or studies, the scientific results of which cannot be published or otherwise disseminated or which cannot be published without the sponsor's prior approval."

Because of the demands of the kinds of relationships that were entered into when it made the agreement with Exxon, the following is the provision that appeared in that agreement—

4:20 p.m.

Mr. Chairman: I want to bring to the member's attention the point that I think we have allowed some leeway in terms of discussion of this subsection. I am hoping that in the fullness of time you will come around specifically to discussing the subsection.

Mr. Renwick: I will when I have completed my remarks, Mr. Chairman.

When we are talking about the objects of a corporation such as this, which state that it is

going to "bring together the research capacities of the public sector with the commercial and industrial sector"; when we have a provision that it will "promote and improve the capacity of universities to respond to the skill requirements of high-technology industries"; when there is a further provision that states it will "promote and develop co-operation in research and its applications among corporations, governments, universities, research centres and individuals," and when it further provides that it will "acquire, develop and deal in industrial property, licences, inventions and processes," and at the same time it has precluded itself from engaging in that, it is very germane for this House to know under this specific section of the bill whether the public interest will be protected.

That is the point, Mr. Chairman.

Mr. Chairman: The difficulty I had was that you were going afield with other comparisons.

Mr. Renwick: I was not going afield. I think you may have dozed off for a moment, Mr. Chairman.

Mr. Chairman: No. I was awake.

Mr. Renwick: Perhaps you were not following the thread of my argument, which perhaps becomes entangled on occasion but which most people can understand; if not, they can perhaps read about it at some later time.

In any event, I want to contrast what happened at MIT when it entered into the agreement with Exxon with respect to the availability in the public field of the information that resulted from the research and development. The actual agreement with Exxon stated:

"MIT is encouraged to freely publish and openly disseminate the results of the research—subject, however, to prior review (and possible delay in publication of up to 90 days) in order to ensure adequate patent protection for MIT and MIT/Exxon contract inventions. Exxon has the right to review proposed publications prior to submittal for publication and to notify MIT whether the proposed publication contains patentable subject matter on which Exxon recommends the filing of patent applications."

I use that example to illustrate the point I want to make, that as the years go on there will be a multiplicity of arrangements that the IDEA Corporation will be entering into with the universities and other educational institutions of the province, funded by public money. In promoting the relationship for research and development with the private sector there are

obviously going to be any number of agreements entered into, many of which the IDEA Corporation will be a party to and some of which it will not be: it will simply be performing its role of promoter.

I want to understand whether the government is aware of the need to provide for the protection of the public domain. In the bloom that went forth when this IDEA Corporation was first put forward, there has been no indication of anything, as my colleague has alluded to and as I am trying to explain happened in very real terms in the United States, to protect the province, the public of Ontario, for the vast investment of public funds in this whole field.

I am not suggesting for a moment that the field is not a complex and difficult one. I am suggesting, however, that the complexity and difficulty of the field requires the IDEA Corporation as soon as possible, if it has not already done so, to develop and publish a guide with respect to the relationships between the public sector and the private sector and how, under that guide and statement of principles, the public sector is to be protected.

I am not objecting to the basic proposition behind the IDEA Corporation. But in no conceivable way am I going to sit here year after year and find that the private sector, at the expense of immense public money, has taken upon itself to have all of the benefit of the research and development done in the public domain.

I do not want anyone to think the agreement to which I referred is some unique example. There is an equally dramatic example between Harvard University and one of the major Monsanto chemical companies, where the adjustment that was made at the expense of the public domain was a matter of serious concern to those interested in the marketing of science and the role of the public sector in providing for that kind of research and development. I may also say it was true with the University of California. That is true anywhere that universities require money.

One of the major issues at the present time is going to be the turning off of the tap in Ottawa, the extent to which the universities are strapped for money and the intellectual atmosphere that will result from that, when universities will obtain revenues by entering into agreements to carry on research and development with public facilities in circumstances where it is not economic for private industry to do so. Private industry will pay the universities under these

promotional arrangements in such a way as will likely interfere with the integrity of the public domain of the property and knowledge that will come out of that technological development.

I have gone on perhaps, Mr. Chairman, but I would certainly say to the parliamentary assistant that perhaps he should telephone Mr. Daniel Steiner, the general counsel at Harvard University, and have a discussion with him in order to get the benefit of his views and I hope act in a way that is contrary to the stated position explained by Mr. Steiner.

With great respect, I think there is significant danger for institutions such as the University of Toronto, Queen's University or any one of the other provincially assisted universities, let alone the other colleges and universities in the province, unless this corporation provides clear and specific guidelines which are publicly available so that the public purse will not be milched at the expense of private industry for the so-called laudable objectives of the IDEA Corporation.

Mr. Chairman, I have gone on at some length and tried your patience. I will appreciate the remarks of the parliamentary assistant.

Mr. Chairman: Yes, you have tried my patience a little bit.

Mr. Jones: I think all of us recognize in this new and changing world that the IDEA Corporation will be making its way and in many ways, I suppose, leading the way in this province. We will be finding that is a very valid concern. What is in the public domain will have to be guarded and a valid concern will be how each can benefit in this linking we have talked about without either of them being compromised.

I know the private sector—to take one of the two sectors—is finding it has problems as it comes forth to the government and finds that in order to be successful its members must work with other companies. I am thinking of a specific case just recently in which BILD was involved where, as a new high-tech industry, the private sector went abroad to seek contracts. They had some assistance and direction from government. Their biggest hangup has been that they did not know how to interface with each other lest one take advantage of the other. It was in the aerospace industry; smaller companies that had been successful but now had to move on if they were to continue. They had to find ways to protect the integrity of each of their respective companies as they worked together in partnership.

I suggest what the member is saying is that IDEA Corporation will have to commit itself to

this. I have no quarrel and would have to agree. I think he would also agree that we ought not to become paranoid about these—

Mr. Renwick: God forbid we become paranoid. I've been here too long to become paranoid.

Mr. Jones: I appreciate that. I think all of us would agree that we cannot but seek out the ways we can have the benefit of the two being linked together without one taking advantage of the other.

I know in the world of research that the great bulk of new research moves throughout the world from industry to industry, in and out of the private sector, in the papers that are prepared and the research documents that are shared. A great system of protection of those ideas has come forward.

I will make a note, of course, of Mr. Steiner in the Harvard situation, but I would just remind members that we do have situations—the Ontario Research Foundation, for example—where private sector and public interests come together. We would find that in some of these same sections the member referred to when he touched on the skill requirements—that is, in the section that deals with something a little different from the protection of thoughts and ideas; rather, that is to meet the needs of the new research and development findings.

4:30 p.m.

I think we should also remember that we do have in the very nature and makeup of the proposed board of directors a balancing, I suppose a protection, of the public domain by the fact that we are drawing people from as diverse sections of our economy as labour, even government, our universities and, to be sure, industry and other parts of the economy. But there is that balance, and I suppose that tells us that we have that protection.

With respect to furthering the public interest, section 8 requires that the board of IDEA in the final analysis shall comply with any directions given to it in writing by the Lieutenant Governor in Council or the minister “with respect to the accomplishment of any of its objects.” That is yet another accountability to the public interest.

I appreciate the member's remarks and I will carry them forward into the government process.

Mr. Renwick: Mr. Chairman, I just want to make a brief comment. I want to make certain that we in this assembly get the report in the first

place. I assume we will. I have not examined the minutiae of the provisions of the bill to make certain that when that report is filed the usual statutory provision is there to ensure that it comes before the assembly. Whether it is in the bill or not I would expect an assurance from the parliamentary assistant that it will.

I want to quote a very brief paragraph—perhaps I should have done that originally and then just sat down:

“Historically, university research has been the source of random discoveries that have spawned science-based industries. Taxpayers' money is present at every stage of this work, used in the faith that the return on public investment will benefit all. College administrators invariably offer assurance that their first concerns when considering new sources of funding are quality of education and protection of academic freedom. Yet the old tradition that if you are nice to people they will take care of you has been replaced in many instances by contract language that at least symbolically permits corporations to gain a toehold on a not-for-profit body.”

That is my point, Mr. Chairman. I trust that the parliamentary assistant has indicated in his response that he believes it merits close attention, and I will await with interest the publication of the guidelines that will provide a clear indication of the protection of the public interest as he enters into this particular minefield of multitudinous agreements between the private and public sectors. One will have to be pretty bright to protect oneself against the private sector in this economy, and I am quite certain that any of the members of the assembly who are aware of that will know the kind of care that will have to be devoted to the very serious public problem that my colleague and I have tried to draw to the government's attention.

Mr. Jones: Mr. Chairman, if I may respond to the member, in answer to his question about whether the report will come to the Legislature: Yes. Section 17, indeed, reads:

“The corporation shall, after the close of each fiscal year, deliver to the minister an annual report upon the affairs of the corporation signed by the chairman and one other director of the board, and the minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the assembly if it is in session or, if not, at the next ensuing session.”

Mr. Wildman: I am afraid the comments from the parliamentary assistant do not really answer the concerns we were raising directly.

First he referred to section 8. I note that in section 8 it says the board will report "with respect to the accomplishment of any of its objects or the exercise of any of its power" from time to time. That was one section the parliamentary assistant used to answer the concerns raised by my colleague under section 10.

He also then referred to the annual report which comes under section 17. I hope when we get to section 17 he will explain what the differences are between this report alluded to in section 8, which is to be from time to time, and the annual report referred to in section 17. From my reading, it does not appear section 17 deals specifically with the accomplishments of its objectives which are referred to in section 8. If it does, why is there a need for two different sections? Why is there a different comment specifically in terms of the period of time?

In terms of the comments of my colleague, one other matter raised by the parliamentary assistant in answer to his concern for the protection of the public domain was that there would be representatives from not only business and labour but also government and the universities on the board of directors. That is acceptable, I am sure, but that does not necessarily mean the protection of the public domain is achieved.

I do not want to impugn any motives or cast aspersions on the integrity of any of the people who might be appointed to the board of directors. However I am sure the parliamentary assistant is aware of some cases in the United States where universities that have gained public funding have had situations where the researchers have formed themselves into private corporations for the purposes of obtaining patents on innovations which they achieved through publicly-financed research. Having those faculty members on the board of directors does not preclude that kind of development, one which hardly protects the public domain.

Mr. Renwick: My colleague has drawn to my attention that the government of the state of New York has a statute dealing with the policies with respect to the public domain in relation to the State University of New York. I emphasize again we are not talking about infringing the field of academic independence or freedom, but I do think the policies set out, I assume, in such a statute in New York and probably in other jurisdictions, to deal with this specific problem are ones to which the government must address its attention.

Mr. Jones: If I may comment in reply to each of the members, the member for Algoma pointed out we have a section 8 which we alluded to in our comments and a section 17. He was asking whether one perhaps made the other redundant or whether there was a duplication in them.

Mr. Wildman: I want to know what the difference is.

Mr. Jones: Okay. Section 8 says, "The board shall comply with any directions from time to time given to it in writing by the Lieutenant Governor in Council or the minister with respect to the accomplishment of any of its objects or the exercise of any of its powers." It is complying with written directions of the Lieutenant Governor in Council and that is not necessarily a reporting process. It is responding as to what it has done as to the direction.

In section 17, that is an annual report; it is not only a report but also, as it reads, an audit. That is an audit that must be done annually, while the other comes from time to time.

4:40 p.m.

Mr. Wildman: Dealing with clause (d), I am concerned that it may have the appearance of advocating more and more training in, say, the engineering field rather than pure scientific research. I raise that concern again and hope that the IDEA Corporation will split its resources in such a way as to encourage both sectors.

Mr. Jones: I am sure the member is not making a case for something extremely frivolous. But my other comments made before remain.

This clause talks about "the skill requirements of high-technology industries," which is a broad term. We know some of the biotechnology work that will be happening and some of the other things that have to do with it. One could not define one section of research because, as the member has said earlier, one cannot always define what type of research is going to benefit in the immediate future or in the long term. But the member's comments are noted.

Mr. Chairman: Shall section 10(2) carry? Carried.

Shall sections 10(3) to 10(6), inclusive, carry? Carried.

Mr. Wildman: I have a question on section 10(4).

Mr. Chairman: I apologize. I was too quick in carrying the subsections. I recognize the member for discussion of section 10(4).

Mr. Wildman: Thank you very much, Mr. Chairman. I appreciate your leniency.

I wonder if the parliamentary assistant at this time can give us some indication of what kind of financial resources this corporation is going to have. We have here a statement that "in carrying out the objects of the corporation under subsection 1, the corporation may provide financial assistance by way of grant, loan, guarantee or purchase of equity shares or other securities."

We are being told what they can do with whatever money they are going to have at their disposal, but nowhere have we had any indication of what kind of resources this government is going to give this corporation to carry out its objects.

I hope the parliamentary assistant is at liberty now to give us some indication of what kind of resources this corporation is going to have.

Mr. Jones: I would like to be able to assist the member in things specific but, on the other hand, as mentioned in the debate the other evening, I am not at all certain that is appropriate.

First, though, I would like to reassure him, as I thought I had done the other evening, that as is set out in this section of the bill, where it talks about providing financial assistance by way of grants, loans, guarantees or purchases of equity shares or other securities, and as we talk about the universities, for example, as we have been doing this afternoon, certainly the government recognizes that is not achieved with necessarily, in today's terms, a small amount of dollars.

I did remind the member the other evening and will do so again, that the IDEA Corporation falls under the umbrella of the Board of Industrial Leadership and Development program. We all know that the BILD program has as its total overall amount some \$1.5 billion, with some \$750 million of those dollars being identified from the public sector of this government.

I can share this with the member: There is a ready recognition that, as we approach this, it probably would be premature to put out an amount that might restrict the activities of the IDEA Corporation as it comes together with its directors. On the other hand, we do not want to be irresponsible and seem to be throwing money around, picking large figures when we do not yet know the specific needs that will be identi-

fied in each of the areas the bill is responding to. I am not trying to duck but rather to be realistic in saying that the government is committing itself under the BILD program to making large amounts available and also being accountable, recognizing that we must first know what the priorities are and where the dollars are needed and not pretend to know in advance of it coming together.

Mr. Wildman: I appreciate the comments made. However, I would like to know how exactly this will work if the parliamentary assistant is saying it is going to come out of the BILD program. In other words, if the IDEA Corporation is ready to make a grant to a particular university or company, or a combination, or if it is interested in making a loan for purchasing equity—whatever—is it going to have to come back for approval on a project-by-project basis to BILD? Or is it going to have a certain amount of money with which to work and have flexibility and then just report back on some regular basis other than the annual report alluded to later on in the bill?

Mr. Jones: Mr. Chairman, we are dealing with the legislative side of things today rather than the administrative. But keeping that in mind, I would just say that surely, while the member raises a valid concern, the mechanics have to be flexible to meet the need. I could speculate, probably with a fair degree of accuracy, because there has been some thought at this stage of how that would happen—whether it would be global in one context and how that would break down in turn and where the suggestions would flow, up the system, down the system, or a combination of both. I think it would be better to categorize the commitment of the government that the whole underlying thesis of the IDEA Corporation is that flexibility will be the key word and also adaptability to the needs of the universities in this case, as the member mentioned.

Mr. McClellan: This is becoming increasingly obscure. The assistant seems to be saying the government has a major piece of legislation in front of us that it is asking the assembly to pass, but that the administrative details have yet to be worked out. That may be an unfair interpretation of what the assistant just said, but that was the impression I was left with.

I think what my colleague for Algoma (Mr. Wildman) is trying to understand is precisely what are the administrative arrangements for this piece of legislation. When the government

brings in a major program through a statute, normally the administrative details have been worked out. What we are trying to understand is whether the IDEA Corporation will have an annual budget, a fixed amount of money from BILD, which I understand to be a cabinet committee.

We are trying to understand whether the IDEA Corporation will, like every other branch of the government, be given an annual allocation of funds. I do not know—will there be a formula based on some perceived appropriate percentage of the total piece of pie to be allocated to this purpose which will be its annual budget and which it will have a mandate to spend in accordance with priorities, as the secretary has said? Or on the other hand, will the IDEA Corporation not have an annual budget, but look at projects and recommend projects as worthy as they emerge to the BILD committee of cabinet? Perhaps the secretary could try again to tell us how the government intends to administer this statute.

4:50 p.m.

Mr. Jones: Mr. Chairman, what I meant to say in answer to the member for Algoma was that we are not dealing today with administration, but rather legislation. All I was saying is I was not presuming to look into all the day-to-day administrative details that will take place when a president and a full board of directors in a corporation is completely at work.

Certainly, yes, is the answer to one question. The Board of Industrial Leadership and Development is a senior committee of the cabinet; and yes, there will be an allocation to that committee by cabinet. Yes, it will be based on a formula of need, and yes, it will have flexibility. In my experience with this government, certainly the programs I have been involved with have identified the need, made the best guess-timate of the funding that will be needed and that is justified for that priority. Yet they have never, where the cause is worthy, failed to recognize that sometimes those things change.

In this Legislature I have in taken through a bill that had to do with youth employment programs in another capacity. I can remember X millions of dollars were assigned to that with great thought and estimation of the need, but later overruns were met and the House joined to approve those. That was a decision of cabinet as to how much that amount would be.

I am saying there will be a formula and it is a committee of cabinet. Yes, it will fall under BILD and yes, there would be a portion of that

BILD amount allotted to the Innovation Development for Employment Advancement Corporation. But that would not preclude what we might loosely term ad hoc decisions as needs identify. I would not preclude the university community or another community we are trying to reach from coming with specific needs apart from the budget.

Mr. McClellan: I understand then that there will be an annual allocation from BILD to the IDEA Corporation with, as the assistant says, flexibility to respond to particular initiatives as they would emerge or develop. Where will such an annual allocation be reported in the estimates process? When the Treasurer tables his annual budget and that budget is broken down into budget estimates, where will the IDEA Corporation's allocations show up?

Mr. Jones: I cannot say with accuracy, to be totally candid to the member, where specifically that would show. My guess is—and I will get the answer to it more particularly and share it with the member or members who have joined the debate today—but my understanding is at this point it would appear in the budget as a line under that budgetary process the Treasurer reports in the normal budget.

Mr. McClellan: It would be part of the Treasurer's budgetary allocation?

Mr. Jones: That is my understanding.

Mr. McClellan: I want to try to understand this because one of the political questions we want to try to address—it has been raised during the course of the debate—is the amount of our provincial wealth that is allocated towards research and development and what percentage of the gross provincial product in Ontario and in Canada has, in the past, gone into research and development.

Various speakers have spoken to the relatively paltry amounts that have been spent so it is important we get a clear idea on an annual basis of what resources the government is prepared to vote to this enterprise so we can assess whether the government is serious in its commitment or whether this is simply window-dressing. When can we expect to see, either through the normal budgetary process or through supplementary or special estimates, the first annual allocation to the IDEA Corporation?

Mr. Jones: Mr. Chairman, I know other people speaking to the bill have used terms such as "promotional purposes" and other comments. That is clearly not the commitment the government is making with the IDEA Corpora-

tion. I would remind members yet again I do not think it would be responsible on our part to start to presume ahead of time and talk specific dollars, except to say that the government recognizes the need for investment in research and development. We have the legislation. The members opposite are making comments and allegations—and there were more of the same the other night—about how this government has not had a commitment to R and D—

Mr. McClellan: I was expressing a fond hope.

Mr. Jones: Okay. Given the member's argument, if that is so, that is what the IDEA Corporation is out to do: to improve the numbers of dollars going into research and development as well as other purposes.

Mr. McClellan: My question was when.

Mr. Jones: As to when, there will be announcements coming forward in the near future, and that is the truth.

Mr. McClellan: That has a familiar ring to it, Mr. Chairman. It sounds like "the fullness of time."

Mr. Breaugh: It is not quite as specific as the fullness of time.

Mr. McClellan: The fullness of time was a concrete phrase, at least in comparison.

I want to understand this; I want to understand how serious the Ontario government's commitment to this venture is. Is the parliamentary assistant saying we will have an allocation to the IDEA Corporation before the Treasurer (Mr. F. S. Miller) brings in his next budget or not?

Mr. Jones: I believe that is exactly what I am saying.

Mr. Chairman: No further discussion?

Just for the record, we had passed section 10(3). We had discussed subsection 4.

Section 10 agreed to.

On section 11:

Section 11(1) agreed to.

Mr. Wildman: Mr. Chairman, I have a short question on subsection (2)(b) where it states that the corporation may "enter into an agreement with the recipient to provide for participation by the corporation in the ownership, licensing, royalties or use of any industrial property flowing from research and development by the recipient."

Is this perceived by the authors of the legislation to be the normal route the corporation will go when patents result from research,

or is it just something the corporation may do but is not perceived as the main purpose? In other words, are we going to get a return when this research leads to profitable and marketable innovations, as we hope it does?

Mr. Jones: Again, Mr. Chairman, I know that sometimes the members would like us to be specific, but I hope we do not lose sight of one of the main thrusts of this bill and the intentions we have for it. The IDEA Corporation may become a part owner; it may negotiate licensing or royalty agreements. And again the emphasis is on providing the flexibility and adaptability to opportunities as they may come up or to needs that may be identified, be they in the private-sector marriage to a post-secondary or the other way around. I do not think we could identify any one and say that all agreements are going to take that road of equity or royalty or any one of the multitude of other alternatives we are providing through the IDEA Corporation.

I am sorry if I sound a bit like a broken record on this subject, but we are trying to have the broadest possible vehicle to give us the greatest possible flexibility.

Mr. Chairman: Any further discussion? No further discussion on subsection 2.

Section 11(2) agreed to.

Mr. Chairman: Mr. Jones moves that section 11(3) of the bill be amended by striking out "shall" in the first line and inserting in lieu thereof the word "may."

5 p.m.

Mr. Wildman: I just have a short question. Why?

Mr. Jones: Mr. Chairman, to say that the corporation "shall" pay profits that might come into the consolidated corporation might preclude a decision we all might want to see them make—perhaps to retain for the benefit of the work of the corporation some portion thereof. So again we are trying to build in more flexibility.

Motion agreed to.

Section 11, as amended, agreed to.

Sections 12 and 13 agreed to.

On section 14:

Mr. Chairman: Mr. Jones moves that section 14 of the bill be struck out and that sections 15 to 22 inclusive be renumbered as sections 14 to 21 respectively.

Mr. Wildman: I am curious as to why you are doing this. Is this a move to finally decentralize the operations of government in this province?

For instance, are we likely to see a head office located in Brampton or even perhaps in Wawa? What is the reason? Can you not find a building, or what is it?

Mr. Jones: Mr. Chairman, certainly I have not heard Brampton mentioned, or for that matter Wawa. The intent in removing section 14 is not to restrict it to Toronto. Corporations do change their head offices from time to time. So we felt again, in a spirit of flexibility, we had best leave the head office choice open.

Motion agreed to.

Sections 14 and 15, as renumbered, agreed to.

On section 16, as renumbered:

Mr. Wildman: I raised questions during second reading regarding the sunset provision in this legislation—the three years. I pointed out the Treasurer himself has indicated that when there is a long-standing problem we cannot expect an immediate fix. I am just wondering whether the inclusion of this provision for review after three years is an indication this government does not have a real commitment to ongoing funding of research in the province? Or is it somehow dreaming it is going to revise all the problems we have experienced over the past number of years in three years?

In other words, does the government really expect that by 1985, because of the operation of the IDEA Corporation, we are going to meet the commitment for 1.5 per cent of the gross national product for R and D, as is envisaged by the federal minister, even though the Treasurer in his budget statement last spring indicated that reaching that figure by 1985 was very unlikely?

Mr. Jones: No, I do not think any of us would be under the illusion we are necessarily going to fix in one year, two years or any time period the ongoing evolution that must take place and which the IDEA Corporation is set to serve—namely that of advancing R and D and bringing together the various components of the economy.

Three years probably would be realistic—it certainly is in a lot of other endeavours—for us to be able to see whether this vehicle in its present form, the IDEA Corporation we visualize today, is still the best vehicle to meet the ongoing need for the bridging or, if you will, the linking up of universities, the private sector, individuals and those who are innovative and need the assistance of R and D and entrepreneurial instinct to bring about new jobs, an expansion of productivity, a reduction in the

cost of productivity and all the other benefits that will flow from the work of an IDEA Corporation.

I do not think there is any particular year. It is certainly not a hidden sunset clause, but simply a statement that the government feels three years would be appropriate for review.

Section 16, as renumbered and as amended, agreed to.

Sections 17 to 21, inclusive and as renumbered, agreed to.

Bill 47, as amended, reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill with amendments.

ORDERS OF THE DAY

RACING COMMISSION AMENDMENT ACT

(continued)

Resuming the adjourned debate on the motion for second reading of Bill 22, An Act to amend the Racing Commission Act.

Mr. Nixon: Mr. Speaker, I was making some brief remarks on second reading of this bill at the time of the adjournment a few days ago. I do not want to repeat them, but I do want to say that it is probably a relief for the present chairman of the Ontario Racing Commission that the bill be enacted. Without enactment, it means Charlie MacNaughton will continue to be a civil servant; and one can hardly picture that, knowing he used to be Treasurer of the province and had other responsibilities leading up to that high office.

Not that he would be condescending about the role of civil servants but, having been a sort of supreme being in this chamber, he might consider it something less than his main ambition in life to be so designated. The only reason I can think of for the bill being before us is that it means Mr. MacNaughton will no longer be a civil servant and maybe his friends will stop kidding him.

I feel, however, that the appointment of members and commissioners to the racing commission is something that should concern us since, over many years, it has been done from the ranks of good, loyal, Conservative servants or those senior members of the party who have more or less gone out to some sort of pasture, horse or otherwise.

I feel that those people perhaps have had more of a commitment to the Ontario Jockey

Club than is healthy for the good of racing in the province. I have nothing against the Ontario Jockey Club. As a matter of fact, I feel that over the last 20 years they have done a good deal to improve the sport of racing and, in so doing, increase our revenues in the province. But we also know that particularly in the last decade non-jockey club racing enterprise has become more and more important.

5:10 p.m.

Frankly, as a representative of a farm community, I have felt very strongly that the non-jockey club racing probably responds to the farmers more effectively than the jockey club itself. The Ontario Jockey Club still carries with it that aura of money and style which has been associated particularly with flat racing, not only in this jurisdiction but also everywhere else.

When the horses get buggies—sulkies—behind them, then that tends to be when the dirt farmers get into the act. The races that used to be a part of every country fair have now been specialized by very good facilities indeed and even have the availability of parimutuel betting.

I can remember one of my former colleagues in the House saying that the quality of the horses did not matter; if you could bet on it, it could be Holstein cows racing and you would still get the crowds there, cheering or whatever they would be doing.

My own feeling, of course, is that the quality of the horseflesh adds a great deal to the occasion, and the farmers in the province have done a great deal in the improvement of the horseflesh and the quality of racing, both here and in many other jurisdictions.

I do feel that sometimes the Ontario Racing Commission shows favouritism to the Ontario Jockey Club in the awarding of racing days, and the minister who is in charge of the jockey club, the Minister of Consumer and Commercial Relations (Mr. Walker), appoints the officials. That is referred to in this bill specifically.

Those people who look after the racing, the judges and others who are appointed by the ministry, are still civil servants. There was a rumour going around among the people interested in racing that the former minister, who is now the Minister of Community and Social Services (Mr. Drea), used to have a parking place out at Woodbine with his own name on it, which shows how far he was prepared to go to make use of the special favours that might be available to him.

One can imagine how the members of the

jockey club and the racing commission would suck in their breath when the honourable minister would drive up in his limousine—of course, in the hours when the Legislature was not in session—and would participate in examination of the horseflesh and the other activities associated with it that take place at Woodbine and those other jockey club emanations.

I do not think there was ever a reserved parking spot for the honourable minister at Orangeville Raceway or anything like that, where they pull those buggies around. I always had the feeling that when the minister was looking after these things he had something of a patronizing approach to anything other than jockey club operations or flat racing.

He considers himself, and with some good reason, an expert in these matters. I only wish he were here, because I have a feeling that my comments would stimulate him to make some comments about racing and this bill, even in this House.

Frankly, I have always felt that Charlie MacNaughton did a good job as Treasurer. I believe he was Treasurer the last time we had a surplus in the province, and I well recall his predictions then that the province was headed for a series of deficits if the policies of the then government were going to be maintained.

The policies have been maintained, at least to the extent that we have huge deficits, and Mr. MacNaughton can be seen to be correct in his predictions of doom. I sometimes wish that he were still Treasurer so we might not have had the experiences of huge deficits that we have had since he left and took over his responsibilities in the Ontario Racing Commission.

I know that any criticism I would express about this bill that would indicate the commission directs too many of its favours to the jockey club, he would be quite prepared to deal with on its merits. If he were a member of this House, I know he would be quick to express his view of the merits. But he is not here and I am, and I have to express the views that have been put to me by the dirt farmers in my area, who actually do raise the horses and do get up at the crack of dawn to practise and exercise them. They are the ones who go out and take their chances against the owners of other horses, trying to make a living, trying to make a few bucks in a great sport, one that I think is based not on the elite of the province but on the dirt farmers who do the work and, in fact, have the most fun.

I am in favour of the bill.

Mr. Renwick: Mr. Speaker, I am rising in place of my colleague the member for Welland-Thorold (Mr. Swart), who is unavoidably away from the House this afternoon attending one of the many celebrations in his own riding.

I am indebted to him, however, for the historical information I am about to impart to the House. The provision according to which the chairman should be a public servant, a member of the civil service, apparently goes back to the days of the former Provincial Court Judge S. Tupper Bigelow, who was chairman of the commission at that time. If he is alive, God bless him; if he is dead, God rest him.

I understand that at that time the purpose of the provision, which excepted the chairman of the racing commission from the general role of the members of the commission and made him a civil servant, was with respect to emoluments such as pension and otherwise that would come his way from the performance of that function.

We have no difficulty in supporting the two provisions that are in the bill. My colleague has indicated that he has no further concerns about the bill. We, of course, will support it and will not request that it go into committee, and we trust that it will have a speedy passage.

However, within the leeway of the discussion that has taken place, and with no knowledge whatever of horse racing, I would be interested in knowing whether the parliamentary assistant is in a position to tell us in the House what the present position of the government of Ontario and of the federal government is with respect to the amendments which I understand the federal Minister of Agriculture is going to propose to authorize intertrack betting in the province. I would appreciate it if the parliamentary assistant has that knowledge. It is a matter of interest every year in this assembly, and I would appreciate any light he might shed on that question.

Ms. Bryden: Mr. Speaker, since one of the largest racetracks is in my riding, I feel I should say a few words on this bill. It is also one of the oldest racetracks; its charter, I understand, goes back to a grant of land from the Queen. This means they are fairly well installed in my riding, although the community itself is not all that thrilled about having a racetrack in its midst, because it does cause very serious parking and transportation problems, and even residents of the communities beyond find it difficult to navigate past the racetrack on their way home on evenings when there are early evening events.

However, since we are dealing with the position of the chairman of the racing commission—and, as my colleague has said, we are not opposing this change—I think it would have been nice to have had more of an indication from the minister or the parliamentary assistant as to exactly how the chairman of the commission is accountable to this Legislature for the various decisions of the racing commission.

The racing commission does make a great many decisions about the operation of race-tracks in this province and about the operation of the betting system, and I think there should be more opportunities for this Legislature to debate those decisions and perhaps to have the chairman of the commission appear before us on a more regular basis.

5:20 p.m.

In particular, the proposal to bring in intertrack betting at the different racetracks concerns the people in my area, because presumably this betting could go on from nine to five or even 24 hours a day. We do not know. Presumably, a lot of the people who are going to make the bets will be arriving in automobiles, and additional parking will be required. There may be additional congestion in the transportation system to place these bets. But the community has not been consulted at all.

People have no idea what intertrack betting will mean in terms of the facilities at the racetrack and how they will impinge on the community. This is the sort of question members of the Legislature should have an opportunity to discuss with the chairman of the racing commission. I hope, as these new developments are introduced, there will be an opportunity of that sort for the members.

It is also possible that we will go into offtrack betting, if the federal government approves it. Again, will it be operated by some of the operators of the racetracks—

Mr. Nixon: It's a policy of this government to have offtrack betting. Eugene Whelan is the only one who saved us.

Ms. Bryden: Will there be additional facilities in the community outside the racetracks? If so, how will those facilities be allocated to people who will be given licences to operate them? These are questions this Legislature should have a say in. I hope, after we pass this bill, the ministry will give us more of an opportunity to bring the chairman of the commission before a committee of the Legislature for discussion.

Perhaps in his response the parliamentary assistant will discuss the question of intertrack betting, what the plans are, and how citizens can find out how it will affect them.

Mr. Bradley: Mr. Speaker, when one rises to speak on a bill of this kind and sees that the member for Riverdale (Mr. Renwick) and the House leader of the Ontario Liberal Party (Mr. Nixon) are both in favour of the bill and find little wrong with its contents, then it is very difficult to be critical of almost any aspect of that piece of legislation.

Mr. Nixon: However.

Mr. Bradley: However. No, there is no "however" in this case. I think it is a sensible housekeeping change.

Speaking as the critic for consumer and commercial relations, I have to say that members in our party agree that the chairman should not be subject to the Public Service Act. I think that is sensible. We agree that the members of the commission should not have to be civil servants. That is not a requirement anybody would look for. We think it is sensible that the commission has the power to employ secretarial assistance and judges, as well as the professionals they have had the power in the past to employ, such as stewards and so on.

I must comment very briefly, however, on the makeup of the board. I have always felt, with so many of these commissions and committees and places where one can appoint people, that it is unfortunate they do not represent a more reasonable cross-section of the people of Ontario, particularly in terms of political affiliation. While we do not have a senate here in Ontario, it appears to me that bodies such as this certainly make up for the senate in terms of a place for political warhorses from the governing party, which has been in power for almost 40 years.

Mr. Mancini: This is better than the senate.

Mr. Bradley: The member for Essex South (Mr. Mancini) indicates it is better than the senate. In many ways, one is able to hide these particular appointments somewhere in the background. Everybody notices when one tries to appoint someone to the federal Senate. When they appointed Peter Stollery, it caused a big kerfuffle here in the city of Toronto and across the country. But when one appoints some former cabinet minister from the provincial government or some loyal party worker from Oxford—

Mr. Mancini: A Tory hack.

Mr. Bradley: A Tory hack—I did not want to use that particular term, but a person who has been loyal to the governing party in the province—to use this kind of commission for those appointments would be wrong.

Although I do not have many hopes for this particular minister on anything in the last few days, we hope he and the cabinet will make those kinds of appointments that would be more representative of the people, not only politically but also in terms of being able to look in perspective at the total racing situation in Ontario, and not be, as my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) has indicated, somewhat sympathetic to the views of the Ontario Jockey Club.

My colleague also mentioned that the former Minister of Consumer and Commercial Relations, who now is the Minister of Community and Social Services, had a somewhat active interest in this, and I think it was a well-known interest publicly.

I certainly feel that, if any members of the opposition had ventured into the racetrack, the sleuths in the minister's office, the Donald Segrettis of the minister's office, would have spotted us, noted the time and place when each one of us was there and added it to the personal dossiers the minister obviously is compiling on individual members of the opposition.

As a party, we speak in favour of this. I know the parliamentary assistant to the minister will take back the message that we hope some of the appointments could better reflect the composition of the people of Ontario.

Mr. Mancini: Mr. Speaker, I am sure you are aware that the standing committee on procedural affairs this past session undertook to investigate some agencies appointed and created by the government of Ontario. One of these commissions happened to be the Ontario Racing Commission. We took the opportunity to visit the Mohawk establishment and see firsthand how the operations are run.

Mr. Breaugh: Why not tell how it went out there?

Mr. Mancini: Actually, I did not want to get into any of the personal—

Hon. Mr. Norton: Mr. Speaker, on a matter of personal privilege: I apologize for being a little slow on this, but it just occurred to me that, when the member for St. Catharines (Mr. Bradley) was speaking, he made an allegation that is of very grave concern to me as a member of this Legislature, the allegation being that one

of the ministers of the crown was keeping dossiers on individual members of this Legislature, of which I am one.

Mr. Bradley: I referred to opposition members.

Hon. Mr. Norton: An infringement of the member's privileges in this House is an infringement of mine.

If the member has any information suggesting that anyone in this House is keeping a dossier on anyone else in that manner—he even made the allegation that it was like Donald Segretti, and that has well-known connotations to all of us in this House in view of the events of a few years ago in the United States—if he knows that, I think it is incumbent upon him now to stand up and place that information before this House so all of us can take the appropriate action to protect our rights.

The Acting Speaker (Mr. Cousens): I take that as a point of order rather than as a point of personal privilege. It is a point of order. If it is the minister's wish to have Hansard looked at, and if there is something to be withdrawn, we will certainly speak to the honourable member.

Mr. Nixon: Mr. Speaker, if I may speak to the point of order, it may ease the minister's mind to recall the situation in the House last Friday when the minister to which my colleague the member for St. Catharines is referring was ready with an answer following his question having to do with some action of the Liquor Licence Board of Ontario, which the other minister is responsible for.

He made the allegation that my colleague from St. Catharines had done exactly the thing which the member for St. Catharines was complaining of. When it became apparent that the information from the minister, which had been collected by somebody in his ministry, was incorrect, he did not even have the grace to withdraw and left my colleague in the situation where, of course, he is directly critical of the minister and his staff.

The Acting Speaker: A point of order has been made. Hansard can be looked at. If there is some change that is to be made, we will certainly look into it.

Mr. Breagh: On the point of order, Mr. Speaker: The question was whether any minister of the crown has a dossier on any other member in the House. I wish the record to show

that I am well aware that the Solicitor General of Ontario has a complete dossier on me, because I gave him some of the material.

5:30 p.m.

The Acting Speaker: Thank you. The member for Essex South.

Mr. Mancini: Mr. Speaker, I hope the Minister of the Environment is aware that he interrupted a great speech and we are little concerned. Anyway, I was saying that the procedural affairs committee had gone to Mohawk to investigate firsthand the operations and how things were run.

It is no secret that I happened to lose \$14 that night. I received advice that evening from the member for Oshawa (Mr. Breagh).

The Acting Speaker: You are speaking on Bill 22.

Mr. Mancini: Right. The advice came from the member for Oshawa, and I should have known beforehand that his advice would lead me in the wrong direction.

Anyway, I believe the point that should be made is that this is an example of a commission that has been created by the province. It is only by chance that the procedural affairs committee decided to undertake a short investigation of the commission's activities. What concerns me is that the government of Ontario surely was aware that the procedural affairs committee was going to be looking into the Ontario Racing Commission.

I am disappointed that we were not provided with the information that the minister was looking forward to making some changes. I am disappointed that these changes have been made without the procedural affairs committee report being tabled in the House and without the minister having the opportunity to look at the recommendations we are going to be making, because he might have wished to incorporate the recommendations of the procedural affairs committee in this bill. I am disappointed that the government has decided to act in this manner.

Of course, we are going to support the bill; there is nothing offensive in this bill. But that just goes to show one of the very points that was made by another member here this afternoon. These boards, agencies and commissions are appointed by the Ontario government almost in secret. Nobody knows who is over at these particular offices running these operations. It is almost like a subgovernment in secret.

If we were to look at the American experi-

ence, no one gets appointed to any of the commissions in the state legislatures or Congress or Senate without first appearing before a panel of the elected members. They decide whether the individual person is fit to hold that job and can examine any of the biases that individual person may have. Frankly, I am disappointed that we are going to continue along the same path that we have been following for so many years in the province. My colleague from St. Catharines pointed out very eloquently that—

Hon. Mr. Norton: Mr. Speaker, on a point of order: I think it is important that not only the honourable member who is speaking but also all of the honourable members understand that there is no secrecy associated with the process to which he is referring.

The Acting Speaker: Is this a point of order?

Hon. Mr. Norton: The kind of scrutiny he is talking about certainly takes place, and the Lieutenant Governor in Council by order in council appoints such people. The orders in council are always published. If the honourable member is able to read, he can read the orders in council when they are posted.

The Acting Speaker: The member for Essex South has the floor. And that is not a point of order.

Mr. Breaugh: That's right. Slap him around.

The Acting Speaker: It was more a point of information.

Mr. Mancini: Mr. Speaker, members they may not be aware of this but it is very important. I wish to inform them that two years ago, when the procedural affairs committee did an investigation of the Ontario Labour Relations Board, we asked the chairman how it was that he came to know who was interested in sitting on the Ontario Labour Relations Board. We asked the chairman if ads were placed in the paper or if letters were sent to all members of the Legislature informing us that these positions were becoming available.

The answer we received was that they had some kind of network and they really knew who was out in the field, who was able to hold these positions on the Ontario Labour Relations Board. In my view, and I stated it then, that is secrecy. This government has created a subgovernment of secrecy by appointing well over 500 agencies, boards and commissions. Hardly any member of the Legislature knows who the chairmen of these commissions are, and we hardly know what they are doing. They

are going about their everyday lives passing regulations, passing their own laws by which people under their jurisdiction have to abide. This Legislature is not privy to what is happening. We are not privy to the people who are making these decisions. Surely after 40 years, even the government must be concerned about the monster it has created. That is exactly what it is.

I am offended that the Minister of the Environment (Mr. Norton) is not concerned. Surely under his jurisdiction he has numerous commissions set up. I doubt if he knows what is going on. He probably does not even know all the people sitting on these commissions. It is absolutely necessary for the Legislature to take more of a role in deciding who sits on these boards, agencies and commissions. Subgovernment secrecy is the only term to be attached to the philosophy and policy adopted by this government.

I explained earlier that I was disappointed with the ministry for not making a presentation before the procedural affairs committee, when I am absolutely sure it was aware of our investigation into the Ontario Racing Commission. We raised the matter of intertrack betting during those hearings. We heard from the Jockey Club. We heard from different people who have dealings with the racing commission. I am really disappointed. I am sure the member for Carleton (Mr. Mitchell) is not privy to a single statement made before our committee.

So we end up with Bill 22, a very innocuous piece of legislation, a housekeeping type of thing, and we have lost an opportunity to make an impact on the government. His party has several members on that committee, who also raised some concerns. Not even his own party's concerns are being taken into account. What kind of government do we have? Is that what happens when a party wins so many seats? Does it get so sloppy and so arrogant that it does not even take the time to find out what is going on in its committees? Are there not people reporting back to the ministry as to what is going on?

Sure, we will pass this piece of legislation, but it is not going to answer some of the problems that were raised in the procedural affairs committee. Once again, this government has only done half a job.

Mr. Mitchell: Mr. Speaker, I will make my comments very brief.

This bill is a direct recommendation of the agency review committee. In answer to the member for Essex South (Mr. Mancini), quite

honestly, no, I have not seen the results of the committee as yet, but since he drew them to my attention I will examine them very closely.

May I say to the member for Brant-Oxford-Norfolk (Mr. Nixon) that I have only been in racetracks twice in my life, once in the little town of Arthur, which is full of my relatives and not too far distant from the member's home, and the other time in London. I must admit I am not a specialist on racetracks and racetrack operations, but I will certainly see that the comments he made today are passed along. I might have some sympathy with the comments made with regard to recognizing those who ride behind the sulky.

5:40 p.m.

I am afraid I do not have an answer for the member for Riverdale (Mr. Renwick) and the member for Beaches-Woodbine (Ms. Bryden), but I will attempt to get the answer for them as soon as possible.

Basically that wraps up my comments. I appreciate the support. The member for St. Catharines (Mr. Bradley) made a comment in the House today on something that I certainly am not aware is going on. I would question, frankly, that it is occurring. However, the question has been raised and Hansard will be examined, but I would certainly think no one would really be doing that.

Motion agreed to.

Ordered for third reading.

BUSINESS CORPORATIONS ACT

Mr. Mitchell, on behalf of Hon. Mr. Walker, moved second reading of Bill 6, An Act to revise the Business Corporations Act.

Mr. Mitchell: Mr. Speaker, this bill has come about with the intent of restating and revising the laws that apply to business corporations, and it is also an attempt to bring uniformity between Ontario corporate legislation and legislation federally and in other provincial jurisdictions. I have talked to some honourable members in the House, and because there are some amendments that we wish to make to it as well, we have agreed that it go to a standing committee. I will terminate my comments at this point, Mr. Speaker.

Mr. Bradley: Mr. Speaker, as the parliamentary assistant has indicated, there has been some consultation, and we recognize in the House that we are talking about a rather detailed and extensive bill. It was the feeling of many members of the opposition, and agreed to by

government members, that the very best place to deal with it in the kind of detail we would like and to ask the kind of questions we would like would be in a committee. It is my understanding that the government has agreed to have this go to the standing committee on administration of justice for detailed study.

We feel the time has certainly come to bring our legislation into line, first, with the federal jurisdiction, and second, with the other provincial jurisdictions in this country. We think this act goes a substantial way towards doing that. However, we do feel some improvements can be made. Perhaps we will see some of those when the government brings forward its own amendments, and there may be occasion for us to move amendments as well. From the beginning, the administrative functions under the act are given to the director rather than the minister. In my own view that is a positive move in itself. But from there on down we will make recommendations on the kinds of changes we feel are necessary.

We have within our party the former chairman of the company law committee, who no doubt will have some detailed comments on this. I know that within the next few minutes this afternoon the House leader of the Ontario Liberal Party will be making some brief comments on the bill as well. So we speak in support of having this proceed to committee.

Mr. Renwick: Mr. Speaker, I want to make a few brief and, I hope, pertinent remarks on this bill on second reading. I welcome the agreement of the government that the bill would go outside the House to committee, particularly because I know that the task force on churches and corporate responsibility wishes to make submissions to the committee. I understand they will be writing to the chairman of the committee and to the clerk to let them know their wishes with respect to that presentation. There may well be other people who want to make submissions.

My problem with a bill such as this is very simple. It goes through a great deal of discussion in the ministry with a lot of people who are interested in it, which excludes the assembly totally from any participation in the bill. The bill then comes before the assembly, and we are expected to deal with it in some formal way. We are not prepared to deal with that. We had the problem in the last parliament of the Securities Act. It was out in committee, but it was impossible, even with a minority government, to change any provision of that bill in a substantial way.

I simply say to the representatives of business and of the corporate, legal and accounting professions in the province that we would be delighted to see them in front of the committee. If they do not bother to come, we will assume it is because their closet arrangements with the government have permitted them to have their say and the bill represents not any public input but simply the closed world in which those particular members of the world of the corporate elite operate.

I particularly want to indicate very clearly that I for one would like to understand that ancient provision in section 130 of the bill, which has been inherited from other provisions, that deals with the liability of directors for wages. I trust when we are in committee, somebody will explain to me why in this day and age the directors' liability is couched in such inexplicable terms and has a reference to that very modern Conservative statute, the Master and Servant Act, as a guide to the basis on which the directors will be responsible for the wages of people who are employed by corporations.

I may also say there is a convoluted relationship in reference to the Employment Standards Act. I have read it several times. I do not understand it and I will expect in committee that there will be a very clear understanding of what that provision means. I would request the minister, his parliamentary assistant and his advisers to give a few moments' thought to modernizing that provision of the bill respecting the responsibility in the case of default in payment of wages for persons who are employed by corporations. I defy anyone, let alone a person in receipt of wages, to understand the extent and degree of the responsibility this act is supposed to impose upon the directors with respect to their liability for wages.

I will also want to know very clearly that the provisions of section 131, and its last subsection dealing with the question of disclosure by directors and officers to the board of directors of their interests so that they will be seen not to profit, are fully and totally adequate, in the sense of covering the specific case that I drew to the ministry's attention, and which was well known as a matter of concern here. It concerned the profit that was made at one point by the then chief executive officer of the Consumers' Gas company. He was never required to account for the profit he made when his interest in the contract was not disclosed.

There was a statement by the Ontario Securities Commission at the time, within the world of

corporate manners, that everything was quite fine. The fact is that the chief executive officer of that company did not disclose his interest in a contract with a corporation of which he was the principal shareholder and from which he derived considerable, either direct or indirect, profit. That matter of the disclosure requirements is of immense concern to me, because the corporate world closes ranks very quickly and the key words in that section are "the material contract." Who could tell whether this particular contract was a material one? I want to say to the minister that in committee we will be very concerned with that particular provision.

5:50 p.m.

My friend the member for St. Catharines (Mr. Bradley) will recall quite well that, when the Ontario Securities Commission came before us in committee when we were dealing with the Re-Mor matter, it had the temerity to suggest it was not responsible to the minister of the crown who in turn was responsible to the assembly. The Securities Act reads something to the effect that the commission shall have the responsibility for the administration of this act. It is in the Securities Act, an act which is given to the Minister of Consumer and Commercial Relations (Mr. Walker) for the purpose of its administration.

It was the strangest possible argument one could have heard and, therefore, I was anxious to make certain that in some way or other this new bill did not breach in any way or pretend to breach in any way the ultimate responsibility of the minister of the crown to this assembly for the administration of that act.

I may say that my concerns are not dispelled by a reading of the bill. The present bill specifically provides that the Minister of Consumer and Commercial Relations is responsible for the administration of that act. The standard words are used in the definition of "minister": the minister "to whom the administration of this act may be assigned." That is fine.

Then, under the existing bill, the present Business Corporations Act, we have a specific statement that the minister may delegate his powers to the director and the director is defined as the director of the companies division or whatever the name of the division in the ministry is.

It is quite interesting that there is no such provision in this bill. All it simply says, towards the end of the bill, is that the minister may appoint a director who will do so and so, but the magic words about responsibility and the magic words about delegation do not appear in it.

I want to say to the minister that I for one, and I know my colleague the member for St. Catharines agrees, do not ever again want to be faced in committee with somebody who comes before us under a statute of this province and tells us in some way he has no responsibility to the minister of the crown and through the minister of the crown to this assembly.

In the brief time at my disposal, I want to talk as succinctly as I possibly can about two matters that have become confused in the public mind. I want to lay them both to rest because they are matters of great significance to me and to my colleagues in this party. The confusion in the use of the language is something I cannot tolerate. The notion that there is such a thing as a corporate citizen and, therefore, a good or a bad one is absurd.

It is true that in law a corporate entity is referred to as a person because it has a legal personality, but everyone knows the use of the term "person" in this context is, like the corporation itself, a legal fiction to enable the law to deal with the artificial entity. To endow this entity with citizenship, to equate the corporation with a human being, is logically unacceptable and morally revolting.

It has become part of the commonplace language of our time that there is something called good and bad corporate citizens. I want to say that is a distinction which I do not accept, which is not acceptable to this party and which does nothing but confuse the real substance of the matter.

In this province, under the election expenses regime under which we operate, we have had the theory that somehow or other corporations which do not vote are something called corporate citizens and are therefore entitled to make contributions for election purposes. I simply want to say that I do not accept that. I do not know when the day will come when they are outlawed, but I know the argument that will be made and I want to address that briefly in the few moments which remain to me.

A deliberate confusion has been created to equate the powers which may be exercised by labour unions with those of corporations. There is no comparison between the power of the union and that of the corporation, either quantitatively or qualitatively. The union is a voluntary organization of men and women. It is an expression of their need to unite for the purpose of defending their common interests and their status in society. Anyone acquainted with the history of employee-employer relationships,

still often described in the law as the master-servant relationship, would be aware of the fact that without his organization the worker would be completely helpless except for laws which provide him with some usually inadequate protection.

The corporation, on the other hand, is an entirely different creature. The quality of the power exercised by a union, and of that wielded by a corporation, is simply incomparable. In our present society it is the corporation which decides on the direction of investment, the quantity of investment, the nature of the product or service produced, the location of its plant and office, whether its operations are to be expanded or curtailed or closed down.

The banks, near banks and insurance companies decide how, where and when the savings of the people are to be applied and invested. In short, the corporate sector has the power subject only to fiscal and legislative limitations to shape the economy of the country and its future, to increase or decrease unemployment, to build homes or office buildings, to introduce or to delay technological change and to make almost all the important decisions governing our society.

I have always found it impossible to understand how any objective person can compare the pervasive power of the corporation with the capacity of a union to negotiate improved pay and conditions for its members, or even to cause inconvenience to the community as a result of a democratic decision of its members to withdraw their labour temporarily. In my opinion, the attempt to equate corporate power with that of unions is a scandalous distortion. Unfortunately it seems to have succeeded.

Mr. Speaker, I know that all of you would recognize that I have not got the capacity for that kind of eloquence. I just simply want you to know that a man whose views coincided with mine, but who had the greater capacity for expressing the concerns which this party has on that kind of nonsense, the late David Lewis, made those remarks in a lecture he gave in 1976 on the Scarborough campus of the University of Toronto.

He set out very clearly that you do not equate the corporation with the trade union in our society either quantitatively or qualitatively. I used, and I paraphrased, some of the substance of his remarks in the comments I made because when we are talking about the structure of the so-called business corporation in the province, it not only covers the structure of tens of

thousands of very small businesses that use it quite properly for the purposes of the organization of their business, but the identical structure—whether it is at the provincial level or the federal level—is the very structure that is used by the several hundred corporations which dominate and control the economy in which we live.

We all know the damage as well as the good that the corporations may do to our society but the extent and degree of the concentration of their power and their influence is a matter which is of grave concern to us in this caucus. I simply want to say to those who want to discuss the corporate world with me, let us not talk about either corporate citizens, good or bad on the one hand, and let us not try to equate for one single moment, quantitatively or qualitatively, the all-pervasive power of the corporations with

the kind of defensive protective mechanism that working people in this province and elsewhere have evolved to try to wrest a decent living and decent working conditions from the corporate world in which most of them must spend their lives.

With those remarks, Mr. Speaker, and because the bill is going out to committee, I will take my seat.

Mr. Nixon: Mr. Speaker, if you want to leave the chair for supper at this time it would be all right with me. I do not have a lengthy presentation but I cannot give it in two minutes.

Hon. Mr. Wells: I would think what we would best do is to carry this debate on after the supper recess.

The House recessed at 5:59 p.m.

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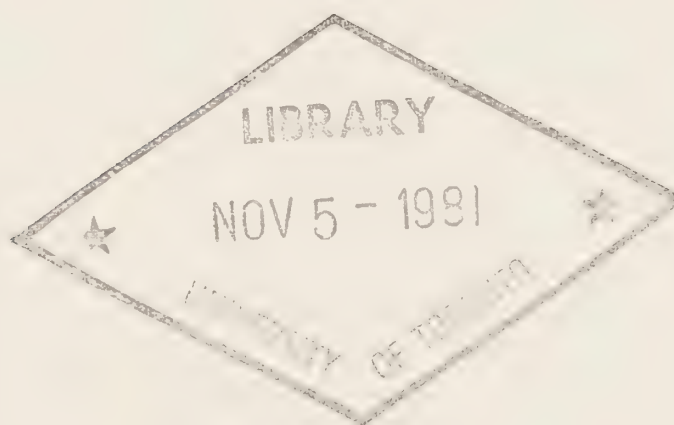
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No. 75

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Evening Sitting

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Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, October 20, 1981

The House resumed at 8:01 p.m.

BUSINESS CORPORATIONS ACT (continued)

Resuming the debate on the motion for second reading of Bill 6, An Act to revise the Business Corporations Act.

Mr. Nixon: Mr. Speaker, I will only speak briefly on the second reading of Bill 6, An Act to revise the Business Corporations Act. I want to refer to a specific matter I believe should be taken into consideration in the amendments that are presented to the House, which deals with a situation I have already referred to in the Agriculture and Food estimates. It has to do with certain business corporations in the province—at least one—being established for the sole purpose of converting a farmer's co-operative corporation to a joint stock operation, in other words, taking over the assets of the co-operative.

On July 20 of this year a promoter founded Caribbee Farm Products and Services Limited for the sole purpose of converting Norfolk Co-operative Company Limited to an investor-owned business corporation and to take over the assets of that corporation. I want to speak briefly about it, because I believe the amendments before us could be expanded so that this situation could be prevented. I would say it should be the aim of everyone of us in this House, certainly everyone with a farm-based constituency, to see to it that the co-operatives are not put under the kind of pressure this sort of a converting organization is attempting.

I will not take the time of the House to explain in detail the procedure, but it is being applied specifically against Norfolk Co-operative Company Limited, which has business this year of close to \$50 million. It is a very large co-operative corporation and, as such, comes under the aegis of the Co-operative Corporations Act of this Legislature, not the one we are talking about now. But the corporation that has formed to take it over would come under the direction of the Business Corporations Act and, in my view, we should put in a section to prohibit these corporations from moving into the co-operative field.

As members know, there is a limit to the share value for co-operatives. This means a successful co-operative will have the value of its assets increased far beyond that of the actual controlled share value. So if an ordinary corporation moves in and gets members of the co-operative to take part in the ordinary business corporation, it can take over the control of the co-operative and, by vote of the corporation, change it over so that the assets accrue to the takeover corporation.

There are no laws being broken; it simply is a loophole that has been discovered by businessmen, who see these co-operatives with their very large cash flows and extremely important and large assets just sitting there to be plucked like ripe fruit under the statutes the way we in this Legislature have left them. Our laws have been very successful over the years in encouraging co-operatives. I simply want to bring to the attention of the parliamentary assistant—and I hope he will discuss it with his minister at an early opportunity—that we must take steps to see that this cannot happen.

If it is successful in the case of Norfolk county there is no doubt the same corporation will attempt to move in and take over the assets of other co-operatives. I am told on good authority the principals in Caribbee Farm Products have already at least applied for membership in the Elgin farmers' co-operative. No laws are being broken, I say again. But it is up to us to safeguard the purpose and aim of the farmers' co-operatives, which in many respects have been the cornerstone of modern agriculture going back probably 30, perhaps 40 years.

It is up to us in this House to give them the sort of support they need so that their energies are not spent in defending themselves against the kind of corporate cannibalism that we see in the ordinary corporation field and so that the farm co-operatives can concentrate on what they do best—and they do it very well indeed—and serve the farm community.

I believe that Bill 6, when it goes to committee, might very well be strengthened by amendments brought forward by the ministry itself in order to assist the Minister of Agriculture and Food (Mr. Henderson) in protecting the farm co-operatives.

I believe that all members of the House would be prepared to co-operate in such an initiative. It would be ridiculous to postpone this until such time as the assets of any co-operative, let alone one in my constituency, might be taken over in the procedure I have very briefly described.

I feel it worthwhile when this bill is before us to bring it to the attention of the parliamentary assistant and the other members of the House, because I know none of us want this problem to grow to the point where it would require retroactive legislation in order to maintain the strength and growth of the co-operative movement in this province.

The Acting Speaker (Mr. Cousens): Does any other honourable member wish to participate in this debate?

Mr. Mitchell: Mr. Speaker, as I acknowledged at the beginning, we were agreeable that this would go to committee. I have taken the opportunity to make notes on the questions raised by the member for Brant-Oxford-Norfolk (Mr. Nixon) and the member for Riverdale (Mr. Renwick), and I hope we will be able to answer those questions and resolve those concerns at that stage.

I would reiterate that the reason for this revised act was to bring it in line with those federal and other provincial acts that are in existence. I would point out as well that 31, I believe it is, new areas are covered within the legislation. I think it is a good bill, but some improvements may be necessary.

Thank you, Mr. Speaker.

Motion agreed to.

Ordered for the standing committee on administration of justice.

House in committee of the whole.

METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT

Consideration of Bill 68, An Act for the establishment and conduct of a Project in the Municipality of Metropolitan Toronto to improve methods of processing Complaints by members of the Public against Police Officers on the Metropolitan Police Force.

Hon. Mr. Gregory: Mr. Chairman, I ask, in accordance with precedent, that the parliamentary assistant be allowed to sit in the front row so the staff can be available to him.

Mr. Chairman: Agreed.

8:10 p.m.

Mr. Nixon: Mr. Chairman, on a point of order: I wonder if the parliamentary assistant might explain the absence of the minister. I have no objection to the parliamentary assistant being here or to his abilities and so on, but this is one of the major bills of the session and one would have expected—certainly we on this side would have expected—the minister would be defending government policy.

Mr. Chairman: Mr. Nixon, I have a problem in terms of the standing orders with points of order of that nature, but if the parliamentary assistant would be so kind as to oblige.

Mr. MacQuarrie: It would be a pleasure indeed, Mr. Chairman. For the information of the member for Brandt-Oxford-Norfolk, the minister is tied up temporarily this evening and is unable to be here at the commencement of proceedings. With the consent of the House, I am going to carry on until such time as he arrives. Quite likely he will then take over if it is in order. Otherwise I propose to continue. This, as members know, is one of the more progressive pieces of legislation introduced in the House for some time.

Mr. Chairman: The parliamentary assistant has indicated the Solicitor General (Mr. McMurtry) should be here shortly, as I understand it. On another point of order, the member for Etobicoke.

Mr. Philip: Mr. Chairman, on the point of order raised by the member for Brandt-Oxford-Norfolk: The minister was not here in committee for most of the hearings. It was only his parliamentary assistant who was there. The minister was noticeably absent whenever any of the arguments were made with the exception of those by the Canadian Civil Liberties Association contrary to section 5 of the bill, which is the guts of the bill and comes early in the debate we will be having.

Now he does not even give us the courtesy of being present for the debate on section 5 which will come up momentarily. This is not only discourteous to members of the Legislature on this important bill but it is also discourteous to all the groups which came before the committee to voice their opposition to the bill in its present form—particularly in opposition to section 5 which obviously does not have the support of the community in Metropolitan Toronto.

Mr. Chairman: We have had expressions from various members—I was going to make a ruling but if the Minister without Portfolio would also like to—

Hon. Mr. Gregory: Mr. Chairman, I merely wanted to point out that the actions we are taking at the present time are in conformity with the act. Much as the member for Etobicoke would wish to politic tonight—I do not know for what reason—the parliamentary assistant is perfectly capable of handling this bill. If the minister appears when he is finished with his commitment, he can certainly take over if you then agree. I am not sure you will.

Mr. Chairman: The Minister without Portfolio need not be so provocative to begin with, not that I am slapping your wrist.

The member for “Knicker” Belt—I repeat that: Nickel Belt, Nickel Belt.

Mr. Laughren: Mr. Chairman, I wish the name of your riding was one I could slip my tongue around the wrong way too.

As a member of the committee which heard the delegations on this bill, I feel very strongly that the Solicitor General is not playing straight with the Legislature. Considering the opposition that came before the committee to the bill in its present form, it is my view that the Solicitor General has decided he would just as soon not face the heat in the Legislature this evening.

Interjections.

Mr. Laughren: I want to tell you something, Mr. Chairman.

Mr. Chairman: Yes, Mr. Laughren.

Mr. Laughren: I am glad you are listening. When the Solicitor General got up, as he did this afternoon, and took his cheap political shot at legitimate questioning from the opposition, I think I could have said to you then that he would not be in the Legislature this evening to face the heat on this bill. I think it was entirely predictable from that point on. In my view, Mr. Chairman, as a Legislature, we should not proceed with any further debate on this bill until the Solicitor General is in his place.

Mr. Chairman: We are getting into a great debate even before the bill is before us. I am having some difficulty because, under standing orders, it is my understanding that the parliamentary assistant can carry the legislation. But certainly I am willing to hear one or two further arguments from all sides. Thinking in terms of rotation, the Minister without Portfolio.

Hon. Mr. Sterling: Mr. Chairman, I would like one of the members objecting to the Solicitor General's absence to point to the

standing orders that rule the conduct of this committee and say where we are straying from the procedures of this House.

Mr. Nixon: We said it was an insult to the people who have appeared before this committee. We did not say it was an insult to us.

Hon. Mr. Sterling: Okay, we have heard that. Let us rule on it and carry on.

Mr. Nixon: It is improper.

Hon. Mr. Sterling: What is improper about it?

Mr. Chairman: Order.

Mr. Wrye: Mr. Chairman, if I may speak to the point of order, again as a member of the committee: At the outset I would like to associate myself with the remarks of my House leader and my two colleagues from the New Democratic Party. Apparently the government wishes to be very flippant about this bill, but we on this side feel the bill has some great deficiencies, which I note the government is still trying to amend and which the minister is not even here to defend tonight.

I wish to associate myself with the remarks of the member for Nickel Belt that the minister took his cheap shot this afternoon and tonight he is not even here to defend the cheap shot he took. We are going to be forced again, as we were all through the committee, to listen to the comments of a parliamentary assistant rather than the minister on this very important pilot project.

I think it is really insulting to the members of the Legislature—considering the government orders the business of the House and ordered this piece of business as early as last week—that the minister cannot even be in his place tonight to defend some very controversial parts of this legislation.

Hon. Mr. Wells: Mr. Chairman, on this point of order, I can appreciate the concern of some of the honourable members. I want to assure them that when this order was considered and decided for tonight, the Solicitor General was consulted and agreed to be here. There is no question he is going to be here during this bill and there is no question debate on this will take a considerable length of time. But, as all honourable members understand, we all have speaking commitments from time to time that have been made many months ahead—

Mr. Kerrio: You have to have priorities.

Hon. Mr. Wells: The Solicitor General sought and gained the agreement of the group he was

addressing tonight to address them before dinner and he is on his way back from Bolton at this time.

In the order of business for today we were to clean up any bills that were left on the Order Paper from this afternoon. Debate was continued. I told the Solicitor General it would probably take about half an hour to finish off the Business Corporations Act. I suspect he will be here within 10 or 15 minutes. I suggest you are playing a form of politics that we all play in this House, but we all accept the fact that it is perfectly legal for—

8:20 p.m.

Mr. Kerrio: I would like to speak to the point of order, Mr. Chairman.

Mr. Chairman: Order please. The minister has the floor.

Hon. Mr. Wells: The kind of shots that fly back and forth in this House do no good to the name of this chamber, but they come just as much from that side as they do from this side. Let us not forget that. Let us not get carried away in trying to play little games tonight.

Interjections.

Hon. Mr. Wells: Mr. Chairman, I have the floor.

Mr. Chairman: Order. The minister has the floor. Would the member for Niagara Falls (Mr. Kerrio) and the member for Etobicoke (Mr. Philip) please sit down.

Hon. Mr. Wells: We have a very important bill which is going to be occupying the time of many of the members here. I would merely ask them, with a little indulgence, to allow the bill to proceed under the gentleman who was piloting the bill through much of the committee stage. I will give this House the assurance that the Solicitor General will be here in a very few minutes and then we will continue with the bill.

Mr. Chairman: Honourable members, I have been extremely fair under the circumstances in listening to various points from all sides. In view of the situation I am now going to proceed with the parliamentary assistant in terms of any opening statement he has in regard to Bill 68. I am not going to recognize—

Mr. Kerrio: The realities of March 19th are showing through.

Mr. Gillies: Oh they are not.

Mr. Chairman: Order please, the parliamentary assistant has the floor. The member for Etobicoke on a point of order.

Mr. Kerrio: You are setting a precedent.

Mr. Philip: The procedure is to rotate the parties and the parliamentary assistant is following another Conservative member.

Interjections.

Mr. Chairman: Order. The parliamentary assistant has the floor. Is there a point of order?

Mr. Philip: The point of order was that we normally rotate in this Legislature. The parliamentary assistant is of the same party as the minister and I thought you might like to follow the normal traditions.

Mr. Chairman: As I indicated, we had rotation in terms of listening to a full discussion. After listening to the House leader, I terminated at that point. I have made a ruling under the standing orders. I think I have no other procedure to follow now except to recognize the parliamentary assistant and continue with the bill.

Mr. MacQuarrie: I might say at the outset I am sorry to have caused such consternation among the ranks of those members opposite.

The bill, although it is a very important progressive bill as most of you recognize, simply makes a good situation better.

Mr. Kerrio: It is a regressive bill.

Mr. Chairman: Order please. This is not the way to start a debate.

Mr. Kerrio: Why don't you sit down.

Mr. Mitchell: Oh come on Floyd, be quiet.

Mr. MacQuarrie: It is sometimes hard to tell whether you are sitting down or standing up.

Mr. Chairman: Would the parliamentary assistant continue with the bill, please?

Mr. Kerrio: He's being provocative.

Hon. Mr. Sterling: You're being rude.

Mr. Laughren: That's parliamentary; being provocative is not.

Mr. MacQuarrie: Mr. Chairman, essentially this bill creates an independent civilian authority to supervise complaints which may originate against the Metropolitan Toronto Police Force. It is a pilot project in force for three years. It has been prepared with a great deal of consideration. I realize there are aspects that trouble those members opposite and I am sure the member for Etobicoke will speak—

Mr. Martel: A point of order—

Mr. Chairman: A point of order from the member for Sudbury East.

Mr. Martel: I understand, Mr. Chairman, we are going clause by clause, and I would like to

know a couple of things. Which clause is my friend making reference to? If he is going to give us a history of the bill, I think he is out of order and you should call the order of the matters before us in the way they appear in the bill. If he is just going to prattle on for a half hour without speaking to the bill or a particular section of the bill, clause by clause, then you should sit him down.

Mr. Chairman: Thank you for that interesting point of order. As the member for Sudbury East appreciates, there are many times during introduction of bills in the committee of the whole House that we have allowed the opportunity for some opening statements and then continued around to all parties.

Mr. Martel: This is not a new bill. We are talking about clause-by-clause study of a bill. Let us get to clause-by-clause study, and if not, sit him down.

Ms. Fish: Oh, now we are going to get you.

Mr. Martel: Why don't you learn the first rule of the House?

Interjection.

Mr. Martel: If you have something to contribute, get up.

Mr. Chairman: Order, please, order. Will the member for St. George (Ms. Fish) please restrain herself. I am sure the parliamentary assistant will take the opportunity to make some comments about section 1 of the bill.

Mr. MacQuarrie: Mr. Chairman, I was under the impression I had been asked for an opening statement, and I hope to educate some of those opposite to one of the finer pieces of legislation to come before them. In the meantime—

Mr. Chairman: Would the parliamentary assistant try to restrain himself from being so provocative.

Interjections.

Mr. Chairman: Is there any discussion about section 1 of Bill 68?

Mr. MacQuarrie: If you wish, Mr. Chairman, let us go to clause-by-clause.

Mr. Chairman: That is what we are trying to do.

On section 1:

Mr. MacQuarrie: There is no discussion on section 1 from the government side.

Mr. Chairman: No discussion. Is there any discussion on section 1?

Mr. Nixon: I would like to say something about it. Actually, Mr. Chairman, it is obvious

we cannot deal with the bill in any productive way without the minister here. I want to say to you again—

Interjections.

Mr. Chairman: Order, please. Mr. Nixon has the floor, and I'm sure he is discussing section 1 of the bill.

Mr. Nixon: I have no personal problem either with the parliamentary assistant or with the fine lady in the back row, but it would solve all our problems if I simply did what has to be done under these circumstances, and move the adjournment of the debate.

9:15 p.m.

Mr. Chairman: To refresh everyone's mind, we are voting on a motion by Mr. Nixon to adjourn the debate. To correct the record, the clerks at the table and I investigated the standing orders and we think that possibly under section 85(a) a motion that the chairman leave the chair would have been more appropriate, but I think it is fair to say that the intent was there.

The committee divided on Mr. Nixon's motion to adjourn the debate, which was negatived on the following vote:

Ayes 0; nays 82.

Mr. Chairman: To return to the legislation at hand, Bill 68, Mr. Nixon had the floor in the discussion of section 1.

On section 1:

Interjections.

Mr. Chairman: Order, please. I am having some difficulty hearing the member for Sudbury East.

Mr. Martel: Mr. Chairman, I am waiting for the minister to give me his undivided attention.

Mr. Chairman: Would the Minister of Industry and Tourism (Mr. Grossman) and the parliamentary assistant refrain from discussion so we may hear the member for Sudbury East?

Mr. Martel: On section 1 I just wanted to tell the minister that I am absolutely delighted he has found the time to come around. Everyone was waiting for him; we now can get on with the business.

Mr. Chairman: Any further discussion on section 1? I see no discussion.

Sections 1 to 4, inclusive, agreed to.

On section 5:

Mr. Chairman: The member for Etobicoke.

An hon. member: No, the member for—

Mr. Philip: Mr. Chairman, I move that section 5 of the bill be struck out and the following substituted therefor—

Interjections.

Mr. Chairman: Order, please. Does the member for Essex South (Mr. Mancini) have a point of order?

Mr. Mancini: Mr. Chairman, surely the official opposition should be recognized first.

Interjections.

Mr. Mancini: Why? Because he was up first and he is ready to do his job. The member for Huron-Bruce (Mr. Elston) is ready to put forth his amendment.

Mr. Chairman: Well, I have a difficulty here. When one is sitting on the floor—I mean this sincerely—one's point of vision is spread out like this. Quite frankly I did not see him stand up.

Interjections.

Mr. Chairman: Well, if we are going to follow standing orders in the best possible way I am going to have some difficulty when someone stands up first and I recognize him and then someone makes a great howl that I did not notice him.

9:20 p.m.

Mr. Mancini: Mr. Chairman, you didn't even look. He was up on his feet and he was ready to place his amendment.

Mr. Chairman: The member for Etobicoke.

Mr. Philip: I move that section 5—

Mr. Mancini: Mr. Chairman, on a point of order: You have not dealt with my original point of order. The member for Huron-Bruce was on his feet and he was ready to place his amendment. I was carefully watching the chair. You did not look for the member for Huron-Bruce, which you should have done, knowing he is the critic on this bill.

Mr. Foulds: Mr. Chairman, I do not know the standing order that is referred to by the member for Essex South. I think the rules of precedent are that if the Chairman recognizes a speaker, the speaker speaks.

Mr. Chairman: Order, please. In my humble opinion, for the meagre years I have been in the House, I have heard many Speakers and many Chairmen indicate in terms of standing and recognition. I have often heard the member for Sudbury East say, "You have to get on your feet fast." I am having some difficulty with it.

Mr. Martel: That's right.

Mr. Chairman: That is right. The point of the matter is it is tough to be looking everywhere. On that basis, I am going to recognize the member for Etobicoke, the person I first saw stand up.

Mr. Nixon: You have to be looking.

Mr. Chairman: But he is the first one I saw stand up. Is this another point of order, the member for Ottawa East (Mr. Roy)?

Mr. Roy: A point of order, Mr. Chairman: I have the greatest sympathy with your dilemma. I am sure that, looking as you were from the floor, it is quite possible you saw the member for Etobicoke. But the point is this, there is a long-standing tradition that the chair looks to the opposition first.

My colleague the member for Huron-Bruce was standing, Mr. Chairman. You did not see him. I say to you, in spite of the fact you saw the member for Etobicoke first, tradition states you should recognize the member for the official opposition, the official critic. That is the way out.

Mr. Chairman: Order, please. We are trying to get along as best as is possible. The difficulty we have is the official opposition is probably recognized first but, on the other hand, it is whoever the Chairman recognizes first. It is a slight dilemma. It is difficult to see the member for Huron-Bruce. It is a very practical, physical problem of sitting right here and seeing out of my left ear that he stood up.

Mr. Roy: Mr. Chairman, I do not doubt that. That is why you did not see him.

Mr. Nixon: Mr. Chairman, may I be of some assistance?

Mr. Chairman: Yes.

Mr. Nixon: Standing order 19(b) says: "When two or more members rise to speak, the Speaker shall call upon the member who, in his opinion, rose first in his place; no debate is permitted on the Speaker's decision, but a motion may be made that any member who has risen 'be now heard,' or 'do now speak.'" Mr. Chairman, I move that the member for Huron-Bruce do now speak.

Mr. Chairman: That is going to be difficult to do, I think, because the member did not have the floor. I recognized the member for Etobicoke to have the floor.

Mr. Martel: Mr. Chairman, the motion is totally out of order. If the Chairman has recognized—

Mr. Mancini: Are you speaking in favour of the motion?

Mr. Martel: The motion is out of order.

Some hon. members: No, it is not.

Mr. Martel: If you want to challenge the Chairman's ruling, be my guest. What the rule says is he will recognize. There were not two on their feet; he recognized one and if you want to challenge his ruling, be my guest.

Mr. Chairman: Order, please. Could we have some order?

Mr. Martel: If not, the only way out is if you challenge—

Mr. Chairman: Order, please. Order.

Interjections.

Mr. Martel: Then challenge his ruling.

Mr. Chairman: There has been a motion on the floor. It is my opinion, without further consultation, that it is out of order.

An hon. member: Why?

Mr. Chairman: Because I had recognized the member for Etobicoke to speak first. I did not recognize two people jumping up to speak.

Mr. Nixon: On the point of order, Mr. Chairman: I just want to read it again: "When two or more members rise to speak, the Speaker shall call upon the member who, in his opinion, rose first in his place; no debate is permitted on the Speaker's decision, but a motion may be made that any member who has risen 'be now heard,' or 'do now speak.'" I have made the motion. Why don't you put it—

Mr. Chairman: Thank you.

Mr. Nixon: —and we will let those birds over there decide, because obviously the official opposition ought to have first crack at the amendments, and any reasonable person will accept that.

Mr. Chairman: The difficulty is this: "When two or more members rise to speak"—

Interjections.

Mr. Chairman: I know, but the member for Sudbury East has something profound to say.

Mr. Martel: Might I ask the Chairman, at the same time he is looking at this matter, whether it is in order for someone to rise on a point of order and then move a motion? I don't think that is allowed either.

Mr. Mancini: That's the same as the standing orders—

Mr. Martel: I don't think that is allowed, either. That is what my friend, the House leader for the Liberal Party, is attempting to do, and he is out of order. He is out of order on two counts: First, it is not a debatable thing and he is attempting to debate it, and second, he is trying to move a motion on a point of order and you can't move a motion, as I understand it, by rising on a point of order.

Mr. Bradley: You already gave him the floor.

Mr. Nixon: No, I made a motion.

Mr. Martel: He's trying to move a motion.

Mr. Chairman: Order. In recognition of some rotation on this debate, I will recognize the member for Oriole.

Mr. Williams: Mr. Chairman, I was going to rise to make an objective observation that would perhaps assist you in making an objective decision on this matter. I would have made that objective observation, but I have been somewhat reserved in doing so after having heard the member for Brant-Oxford-Norfolk suggest that "the birds over there" will assist us out of this dilemma. Notwithstanding having heard that rather derogatory remark, I would lend this objective observation. It is my understanding that convention dictates that the chair should first recognize the critic for the official opposition in these matters.

Mr. Chairman: In terms of convention, we are also torn in that the chair recognizes the person who stands up first.

Mr. Foulds: The official opposition often has nothing to say.

Mr. Chairman: That is right.

Mr. Nixon: On a point of order: I bring it to your attention, sir, that under rule 19(b) I have made a motion that the member for Huron-Bruce be now heard. I suggest to you there is nothing out of order. I don't see that you have any alternative but to put the motion to the House, and if it is not carried, then of course your original decision would have to prevail.

Mr. Foulds: On a point of order: Surely a motion cannot be made after the member has spoken, and that is, in fact, what the member for Brant-Oxford-Norfolk is trying to do.

Interjections.

Mr. Chairman: Order, order. We are going to try to get this sorted out yet.

Indeed, it says, "When two or more members rise to speak"; it doesn't say when the Chairman or the Speaker recognizes two or more members. It would be difficult to imagine how you

can see two members at the same time, and I must confess a lot of people rose. I did see the member for Etobicoke rise first.

Mr. Mancini: Did you look in this direction?

Mr. Chairman: I am indicating to the member for Essex South that I did see a lot of members rise. I did see a lot of members rise. I saw the member for Etobicoke rise first. I think, in fairness, a motion has been put under standing order 19(b). Could we have the motion again, please?

Mr. Nixon: I move, Mr. Chairman, that the honourable member for Huron-Bruce be now heard.

Mr. Martel: You have already made a ruling, Mr. Chairman. You have ruled on at least five occasions that you have recognized the member for Etobicoke. What I am saying is, if the Liberals want to challenge that ruling, that is what they should do. You have made a ruling. Why are you changing the ruling? If they don't like the ruling, they can challenge it, and then they can move their motion.

9:30 p.m.

Mr. Chairman: I want to point out to the member for Sudbury East that many times in this chamber I have heard him speak so eloquently on following procedures in the standing orders. If the chair is to do that, follow the procedures in the standing orders, section 19(b), I am going to have to recognize the motion. I have no alternative.

Interjections.

Mr. Martel: Mr. Chairman, you have made a ruling that you recognized the member for Etobicoke because you did not see another member standing. If they do not want to accept that ruling, they have the prerogative of challenging it and getting it defeated. Then if they want to move their motion—

Mr. Chairman: Order, please. In fairness of rotation, we will listen to the Minister of Industry and Tourism.

Hon. Mr. Grossman: Mr. Chairman, in the interest of carrying on the people's business this evening on this very important piece of legislation, may I suggest that you either immediately determine that you have not recognized that two members have risen to speak at one time but simply one, or that you immediately decide that you shall hear and call the motion put by the member for Brant-Oxford-Norfolk, and that that be done immediately without any further debate, so we can get on with this vote.

Mr. Chairman: There is no doubt I saw many people rise. I did see the member for Etobicoke rise first, but other members rose. A motion has been put under section 19(b) of the standing orders.

All those in favour of Mr. Nixon's motion that the member for Huron-Bruce be now heard will please say "aye."

All those against will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Mr. Chairman: Mr. Elston moves that section 5(1) be amended to read: "The Police Complaints Board shall establish and maintain for the purpose of this act an investigative unit known as the Public Complaints Investigation Bureau."

Interjections.

Mr. Chairman: Order, please. Would the member for Huron-Bruce, after this great debate, provide some copies for us all? Is this the original?

Mr. Elston: I had understood that copies were being delivered to all the critics.

Mr. Chairman: I have mine. Does the Solicitor General have a copy? Are you prepared to proceed momentarily?

Hon. Mr. McMurtry: I do not have a copy of it but let's go on with it.

Mr. Chairman: Would the member for Huron-Bruce like to comment on the section he has amended?

Mr. Elston: Yes, Mr. Chairman.

Interjections.

Mr. Chairman: Order. The member for Essex South (Mr. Mancini), please: the member for Huron-Bruce has the floor.

Mr. Elston: Mr. Chairman, I know you recognize we have something to say up here. When this was going through committee stage I attended the sittings of this committee and I was able to take from the—

Mr. Chairman: We are having some difficulty listening to the member for Huron-Bruce, and part of the difficulty is from the ministers on my right.

Now, would you please continue?

Mr. Elston: Thank you. Section 5(1), Mr. Chairman.

Mr. Laughren: Is the member proud of this?

Mr. Elston: I am indeed proud of this.

Mr. Chairman: Would you mind speaking to the chair and avoiding the interjections?

Mr. Elston: It is pretty hard to avoid the interjections when sometimes people do not even recognize you exist in this Legislature.

Mr. Chairman: Well, try. I am listening.

Mr. Elston: Mr. Chairman, thank you for the opportunity to speak to this amendment. Although some people would have you think I was not in the committee at all, I was there and I heard representations made by many of the people who appeared before us day after day when we started holding the hearings.

When we considered this situation we spoke in favour of an amendment to this bill in committee. I believe this bill and the people it will most often affect will be best served by having an investigative procedure independent of the people who will be investigated. It seems to me this piece of legislation will be best served if there is a great deal of co-operation in having the complaints investigated. I can see from the representations made by those groups of people who will be most affected by this legislation they will co-operate more specifically in carrying out this pilot project if they are assured their complaints will be heard and will be dealt with independently of the people their complaints are against.

That, in effect, is the reason for the amendment. We feel it is definitely required that this committee of the whole House go through the whole process of assuring themselves we have the best possible procedure available for dealing with the complaints process. I think the difficulty in dealing with this piece of legislation is that from the point of view of a person who has sat in that committee, the feeling has always been and will remain that the people whom this bill affects have not been consulted; the matter has not been dealt with in a public forum or debated fully.

By moving this piece of legislation to the committee we felt the project would be better assured of success. There we would have the opportunity to hear public representations—not those which were covert—and we could be sure that people had the opportunity to make suggestions which the members of this Legislature could consider at great length. This would be preferable to making representation to some people somewhere at some time that no one was ever sure of.

We went to great lengths during the committee stage to find out whether or not the public at large had the opportunity to provide input to this legislation. We were assured there was an opportunity. But when it came right down to

providing us with information in the committee as to who had the opportunity to provide that input no evidence was available to us to allow us to conclude that the public at large had been consulted to any degree.

That is one of the difficulties with this piece of legislation. It is one of the reasons it will be undermined if there is not a full and accurate debate of all the particulars included in it.

9:40 p.m.

Section 5(1) and the following section 5(2) are the essence of this bill. They require a great deal of consideration from the House as a whole, not from a small group of people who are drafting the legislation, and not from a small group of individuals who sit in a committee hearing. There should be a full and valuable input so that all the members of this Legislature can be responsible for the legislation we are putting forward to be used in Metropolitan Toronto. I believe this legislation will be used not only in Metropolitan Toronto but later, possibly with some refinements, throughout the province.

I do not think it is fair, by any stretch of the imagination, to go into this legislation without providing the House with an opportunity to debate the very essence of this bill. That is why I am proposing this amendment. We ought to consider whether the independent nature of an investigation is what should be dealt with.

While we are looking at this section, we also ought to remember we have been asked by Metropolitan Toronto council and others to consider the very essential element of their social structure to provide them with the means to deal with various important problems coming before them. We have been asked to deal with it in one manner. On the other hand, we have also been asked by a group of municipalities outside Metro Toronto to consider invoking a project that would encompass an independent review of police complaints.

It is incumbent upon us as a whole House to consider that very important aspect of this question at this time. We should not merely gloss over it, leaving the responsibility to some person who drafted the legislation in the Solicitor General's ministry or heaping it upon a small group of individual members who served on the justice committee.

I think it is a responsible legislative procedure to allow the whole House to have an opportunity to provide input into this very critical aspect of the bill. In this way we can ensure in our own minds, as a Legislature and as individuals, we have given full force to studying the

means by which this important project can be carried out in Metro Toronto. That is why I think this aspect of the bill should be debated again and should be opened to a public forum at this time.

Mr. Philip: Mr. Chairman, I can understand why the Liberal Party was so upset when the former chairman recognized me to move my amendment to section 5. They recognize they were not present in the committee when essentially the same amendment was introduced.

Mr. Elston: On a point of order, Mr. Chairman: I think the member for Etobicoke is in error when he indicates I was not present. I was present throughout those committee sittings, and I ask that he retract that.

The Deputy Chairman: Carry on, Mr. Philip. You have the floor to discuss the amendment.

Mr. Philip: Yes, I have, Mr. Chairman. On the point of order, though—

The Deputy Chairman: Are you standing on the point of order or on the amendment?

Mr. Philip: On the point of order of the member for Huron-Bruce. He is quite correct; he was present, but only one of the three Liberal members was there to vote in favour of my amendment, which was essentially the same as what he has moved.

The Deputy Chairman: The honourable member—

Mr. Philip: Not only do they not have the guts to accept the fact they were not there, but they have to copy another party's amendment and introduce it as their own. I say that is the height of sleaziness on the part of the Liberal Party.

The Deputy Chairman: I ask the honourable member to address the section. We have an amendment on the floor; proceed with that.

Mr. Kerrio: All together now: "Aw."

The Deputy Chairman: Order, please.

Mr. Philip: I can understand why the Liberals are upset. They were caught, it has been pointed out to them and now they do not like it.

Mr. Kerrio: You are still reacting. Why don't you—

The Deputy Chairman: Order.

Mr. Mancini: They still can't accept that they have 21 seats; that's the problem.

Mr. Kerrio: I hate to see a grown man cry.

Mr. Mancini: You guys started the problem by getting the money for 30. They actually think they have 30 members.

The Deputy Chairman: If you are addressing the amendment, you have the floor for that purpose.

Mr. Philip: Thank you, Mr. Chairman.

The Deputy Chairman: You do have the floor.

Mr. Philip: It is very hard, Mr. Chairman, with certain members from the Liberal Party who were not even in the committee then who are spending all of their time talking at the moment.

Since this amendment is essentially a copy—a poor copy at that—but none the less a copy of the amendment I was about to propose to this committee, and which I proposed in the justice committee when so few Liberals were present, we will, of course, be in support of it. Essentially, the principle of the amendment deals with the guts of this bill.

Anyone who sat through the debates and heard the arguments of the various deputations who came before the committee knows this is where the bill divides this House. This is where this House decides whether it will be responsive to community input and divides those who are responsible to community input from those who would flagrantly impose their wills on the public.

The now chairman of the Police Commission, Philip Givens, stated when he was a member of Parliament in the House of Commons debates in 1969, that, "Perhaps it is because the large city is such a recent phenomenon of civilization that we do not yet know how to cope effectively with the range of problems which have arisen. It is a phenomenon which is now posing urgent challenges that cannot be ignored." That is the debate on this amendment.

It is fundamentally all about how we cope effectively with the range of problems that are faced by a large city such as Metropolitan Toronto in a quickly changing civilization.

The more I think about it, this amendment is really about the age-old debate between those who look at the world and their fellow man in a pessimistic way and those who have more faith in a more open system.

This is essentially an optimistic amendment. At the bottom of it lies the belief expressed by several community groups who appeared before us. The Metropolitan Toronto police force and the chief responsible for that force are at the level of maturity or a level of performance so, unlike cities like Philadelphia, it is possible to be more sensitive to community needs in this city than has been the case in the US cities.

The Conservatives will argue that a method, analogous to the one proposed by my amendment, has been tried in Philadelphia and has failed. Indeed, if I am not mistaken, it is the chief of police in that city who was tried and failed.

If I am not mistaken, at this very moment he is spending time in a place where police usually only have occasion to visit. To suggest, even by implication, that we are somehow in a situation similar to Philadelphia is by implication a spurious attack on our police and on our police chief.

The facts are that when the police association president was asked whether or not he and his officers would co-operate with whatever body resulted from this legislation, he indicated that would be the case, or that he would not actively oppose it in the manner in which the various American associations have done.

In a similar manner, the chief of police gave us every indication he would co-operate with whatever legislation came out of this House. Thus we are not faced with the kind of obstruction and disregard for the law that has been shown by police in such areas as Philadelphia.

There is no polarization such as exists in those cities. The Solicitor General has constantly argued that this bill, in its present form without the amendment, is consistent with every major report or study that has been done in Canada and elsewhere.

He repeated this argument before the standing committee on administration of justice on September 22.

9:50 p.m.

I quote from the Morand commission report on page 184. In that report it says:

"A system must be developed for prompt, impartial, vigorous and independent investigation of such complaints, incorporating appropriate safeguards for the rights of police officers. Such a system must be highly visible and manned by personnel who command the respect of the force and the public." It further states: "The design of such a system is beyond the scope of this report."

Further, on page 188 it states: "I recommend that a citizen complaint procedure have as its central aspect an independent investigation."

The Maloney commission came to a conclusion that the investigative branch should be manned exclusively by trained personnel. This amendment, of course, does not suggest that untrained investigators should be put in charge of the investigations.

On the contrary, my colleagues and I have stressed that the investigations must be done by properly trained persons, persons fully familiar with police investigation methods, and we have suggested that those would be either police officers recruited for the job as independent investigators or people who have been put through police training programs.

No one, to my knowledge, has ever suggested that we should have community workers or other people not trained in police investigation doing such investigation. Those who raise the point either do so out of ignorance or are attempting to set up paper tigers that they can shoot down.

By the same token, it is wrong to imply that the Maloney report is somehow mirrored directly in this bill. Maloney saw the investigative branch as consisting of officers appointed for a three-year period, special officers who would conduct the investigation from the beginning, and not the system that is proposed in this bill.

Thus, in terms of investigation, while Maloney did not advocate what is asked for in this amendment, similarly he did not advocate the kind of investigation system that is proposed in this bill. Indeed, if we look at page 212 of the Maloney report, it states that personnel should be appointed to the investigative branch for a three-year period only. Thus they would be independent of any other branch of the police.

That, essentially, is the thrust of this amendment. One cannot argue that Maloney came down on one side or the other if one looks at the essential theme and thrust of his arguments.

The Pitman report is another report to which the minister and his colleagues like to refer. Let us deal with his recommendation 4-16, which reads as follows:

"That Metro council recommend to the Ontario government that the legislation necessary to carry out the recommendations of the report on the Royal Commission into Metropolitan Toronto Police Practices be passed and put into effect as soon as possible."

It goes on to refer to "a citizen complaint procedure, having as its central aspect an independent investigation and review of police conduct . . ." Those words "independent investigation" are the key words that must be taken in that recommendation to Metro council in the Pitman report.

What we are faced with is that essentially the reports that the minister likes to refer to as somehow being replicated in his bill without this amendment are not replicated. If we read those

reports, if we understand the main thrust of the reports, we can argue one way or the other that they do not come down soundly on the side of the minister.

What we must see in all of those reports is a historical attempt to develop a system that is fair and that will be accepted by both the police and the communities that they serve. They are not cut in stone. The proposals must be viewed as a developmental process of recommendations.

What the amendments do, the amendment that is proposed by myself and the similar one by my Liberal colleague, is essentially involve the logical conclusion of the various reports that have come before.

In a similar way, we have been led to believe that no other studies in the United States or Great Britain support the position taken by this amendment and by my amendment. The fact is that they do not support the minister either.

If we examine each of the reports, we can see that they have gone through the same developmental process that has happened in Canada. In report after report is the statement that there are problems with the system of police investigating themselves.

What we see in those reports are attempts, albeit unsuccessful in many cases, to come to grips with that problem of lack of confidence in the police investigating themselves or in the complaints procedures being used.

The argument has been made that the Chicago system has come closer than most other systems to the direction we are recommending, but it has failed. In the evaluation done on the Chicago system, it concluded that the weakness there is that it has not gone far enough in the directions we are recommending in this motion.

The report of the Chicago law enforcement study group talks about the problem of an identity crisis among the investigating officers. It suggests such things as having the investigator issued with an identification card with a photograph on it rather than the traditional police badge. This indicates there is a problem with the role in which the officer sees himself and the role in which the public sees an officer investigating another officer.

There are three arguments that are found in the report and recommendations of the National Capital Civil Liberties Union study entitled *The Police Complaint System: Institutional Coverup*. I refer to page 19 of that report. Essentially, the first two arguments in particular deal with the problem that this amendment attempts to face. The report says:

"Every profession suffers from an inherent tendency towards self-protection. The lawyer or doctor sitting in judgement of another lawyer or doctor is too prone to envision himself as having made the same error as the accused before him. Thus, the investigator or the judge of the facts identifies too much with the one accused of misconduct, and seeks ways to exonerate the accused or to mitigate the disciplinary action called for.

"Second, the very task of the police, dealing as they do with frequent tension and confrontations, requires a certain fortitude in approaching the job. The officer needs to have the respect of the community. Unfortunately, these factors are translated into the police profession's ethic that a tough cop is a good police officer. The tough-cop syndrome too often crosses the line from fortitude in the face of real danger to abusiveness in the face of no danger. The tendency of police officials themselves, captives of the tough-cop ethic, is to defend and seek exoneration of officers accused of misconduct against citizens."

Some of us might say that was an overstatement. But if one talks to people in the community there are a large number who believe that second reason. Because it is a public perception, we must guard against it. That is the intent of the motion we have before us.

Much has been made about the fact that the British have not opted for an independent system of investigation. The facts are that, after the recently experienced poverty riots brought about largely by the Conservative government's economic policies, there is a great deal of rethinking in Britain on this matter.

One would not expect the Iron Lady to change any more than one would expect the member for Oriole (Mr. Williams) to come out in favour of a more open and democratic way of handling this. But I appeal to the more moderate members of the Conservative Party at least to consider the arguments we are making in favour of this amendment and the similar amendment I first proposed in the standing committee on administration of justice.

10 p.m.

There is an interesting article in the *Criminal Law Review* of 1976 which is entitled "Complaints Against Police: the North American Experience," by Alan Grant. I will read only a slight section from it, because I think it deals with and relates directly to the amendment before us. It says:

"Changes in attitudes and changes in system

are best achieved by involving as many as possible of the people concerned in the process of change. That means that representatives of many perspectives will have to be consulted and asked for a contribution towards the solution."

The fact is that the Solicitor General failed either to consult or even to be present when a majority of community groups came to make their views known to our committee. He was conveniently present when those who agreed with his particular views and supported the bill as it is were there, but he was absent when other citizens, the people out there, came forward. These were groups asking that the amendment, similar to the one before us, be adopted.

The Solicitor General was not content to disagree with these groups. He had to slur them by suggesting either that they did not represent the views of the minorities or that they did not understand the full implications of the bill. One can check Hansard and see that he slurred them in this manner.

He then claimed he had consulted with hundreds of persons in the visible minority community. We asked almost every day for a list of those supporters. The list was not forthcoming, nor were the supporters of this bill in its present form without the amendment that is now being proposed.

I will not read into the record the numerous arguments made by the various groups that did come before the committee. One group the minister was present to listen to, however, was the Canadian Civil Liberties Association. In a sense, the arguments in that brief reflect most of what the other groups were saying.

The arguments put forward by the Canadian Civil Liberties Association that relate directly to this amendment are as follows:

"So long as the front-line investigations are handled by officials who have departmental or even general police interests to protect, the system will be severely flawed. Many aggrieved people simply will not confide their complaints about the police to other police officers.

"The Canadian Civil Liberties Association has had this experience time and again, particularly with minority, racial and ethnic constituencies. In fact, CCLA conducted a number of surveys among arrested people in the city of Toronto during the 1970s. Invariably, only a minuscule minority of those who claimed to have been abused by the police were prepared to take retaliatory action. The overwhelming number declared flatly that such action 'would

do no good.' In this regard, it is pertinent also to note the comments of the McDonald commission into RCMP wrongdoing:

"Although difficult to ascertain with any great precision, it is probable that many complainants would not have complained had our commission not existed. We infer this from the fact that many persons who wrote to us after the cutoff date, when advised that we would not investigate but that they could come forward with their allegations directly to the Solicitor General or the commissioner of the RCMP, expressed the view that such action would inevitably prove to be useless."

"Since so much depends on the willingness of aggrieved people to take the initiative, any failure to provide for independent investigation could render many complaints stillborn at the outset. To this extent, the experimental project contemplated by Bill 68 will be unable to perform the intended objective. The one thing it cannot measure is the number of aggrieved people who will never file complaints because of dissatisfaction with the investigative machinery."

The various groups who came before us stated that very position. Those who represented the very large visible minority groups, people such as Alderman Ying Hope, indicated that their people would not come forward if they felt that the initial investigation was being done by the police themselves.

Perhaps even more empathetic than the way it was put by the Canadian Civil Liberties Association was the way the Jamaican Canadian Association stated how they felt about this section of the bill and the need for an amendment such as the one before you:

"The Jamaican Canadian Association members and the supportive groups and all Caribbean peoples appreciate the opportunities and privileges afforded us that enable us to live in Ontario and the beautiful city of Metropolitan Toronto. The JCA applaud the efforts of everyone who is trying to maintain and keep Toronto—including the police—as a beautiful place to live, work, grow and play.

"However, as a sensitive organization with people who are very concerned, we recognize that police men and women are real people. Therefore, the police being real people, we recognize that they are subject to all human frailties, follies, flaws, errors, illnesses, et cetera, as the rest of us people are. Hence, the JCA believe that to entrust such a great and extraordinary responsibility upon the shoulders of the

already taxed police of investigating themselves, when other human beings complain against them regarding injustices suffered, is ludicrous.

"This added responsibility of allowing police to investigate themselves is a cop-out affair, and this process being pushed by the government and its ministers demonstrates their ability to listen attentively to and deal with the concerns, fears and frustrations of minorities in Metropolitan Toronto and Ontario; hence, the government's reason for setting the police up and hiding behind them. Honourable members of this committee, if you want all your citizens of Metropolitan Toronto, irrespective of colour, class, creed or ethnic origin, to respect, support and help the police, then you must see to it that the barriers are not built around the police that most citizens and residents of Metropolitan Toronto find objectionable."

Mr. Chairman, instead of listening to these people, the government had its political bed partners, Godfrey and Flynn, come before us and try to create the image that somehow the elected representatives of Metropolitan Toronto support the bill in its present form and, therefore, are against the amendment that is before you in this committee of the whole. When I asked Mr. Godfrey the following question, "Would you name one community-based group that is in support of the bill as it now stands, if a majority of people out there really are in support?" He answered: "Yes. The Metropolitan Toronto council, representing 2.2 million people. I am sure, as a representative of Metropolitan Toronto, you would not deny the opinion of a duly elected representative from the municipal level."

That statement was challenged in a letter to the committee by Alderman Pat Sheppard, and he said: "I write to you as an individual member of the metropolitan council to indicate my amazement and distress that the Metro chairman, Mr. Paul Godfrey, has represented to your committee a position of the Metro council on Bill 68. You should know that Metro council has not debated or taken a position on Bill 68 or the previous forms of the bill."

Mayor Flynn, who attended with Mr. Godfrey, was not content that a gross misrepresentation had been made to the committee. Indeed, he had the audacity to state to the newspapers the next day, in reference to the statement by Alderman Sheppard: "That's a lie," Etobicoke Mayor Dennis Flynn said in an interview at city hall. As Metro deputy chairman, Mr. Flynn

appeared before the committee with Mr. Godfrey." He goes on to say, "Mr. Godfrey was talking about the general concept of a civilian review board and not an endorsement of the bill itself."

10:10 p.m.

Indeed, the only misrepresentation that was before the committee was the misrepresentation that somehow the community supported the bill without the amendment that is before this committee.

Only today, Chairman Godfrey, instead of acting like a man and owning up to the fact that he had misrepresented the position of Metro to the committee, wrote a letter to the chairman and members of the committee. I only received it this afternoon.

I want to deal with the letter only briefly, because it tries, however unsuccessfully, to challenge my contention, and the contention of all members on this side of the House who support this amendment, that somehow there is something out there other than the Big Blue Machine that supports the bill as the minister has it. And that is not the case.

In his letter he repeats my question and gives his answer: "There is no question that this legislation is before you because of the initiatives taken by the Metropolitan Toronto Board of Commissioners of Police and the metropolitan council."

That was not the question that I asked him. The question was whether there was support for the bill as it now existed. What we were talking about very clearly was section 5 without the amendment that is before this committee. In fact, he says, "It is modeled after the recommendations made by Arthur Maloney, who was asked in May 1975 by the police commission to inquire into the process."

He goes on to say in his letter: "It is important to take note of the important point of the Maloney report"—and he deals with that. Of course, what he does not state is that there are other parts of the Maloney report that are not contained in Bill 68, and therefore that in itself is a misrepresentation.

He goes on to say: "The board of police commissioners adopted Maloney's report and requested the establishment of a municipal-provincial committee to examine into the legislation necessary to implement."

He goes on to say: "Then Mayor Cosgrove of Scarborough expressed general agreement. Alderman Sewell of Toronto advised that he strongly supported the report." I have dealt with

this earlier. In fact, the report can come down on either side, depending on which parts of the report and which themes in the report one wishes to emphasize.

He goes on to say: "I feel safe in assuring your committee that if members of council had any objections they would not hesitate to put them forward." Of course, we have seen members of Metro council come before us, and indeed they have made known their view that they are not in support of this.

Indeed, I understand that Mr. Sewell is no longer of the opinion that is stated in Mr. Godfrey's letter, and that indeed Mayor Gus Harris of Scarborough is not in strong support of the bill without the amendment that we are asking for.

He says: "No action was taken by the province despite the statement in the House that the matter was under review."

He goes on to deal with Justice Donald Morand and specifically with the section on page 267: "A citizen complaint procedure, having as its central aspect an independent investigation in review of police conduct and an independent tribunal for hearing the complaints, should be implemented by provincial legislation forthwith."

The word that I draw your attention to once again, Mr. Chairman, is the word "independent." That is what we on this side of the House are emphasizing. That is the word that the members on the other side of the House would very much like to ignore. The fact is that Morand and Maloney say that it is a workable model they are proposing but not that it is the only workable model.

He goes on then to say: "As recently as February 17, 1981, the council unanimously adopted the following motion: 'That the metropolitan council again urge the province of Ontario to endorse the concept of a public complaints commissioner and appoint such individual at the earliest opportunity.'"

Nobody is objecting to that. All members on this side of the House have said they want a public complaints commissioner. What was under dispute and what was being debated at that time in the committee and should not be fudged by Chairman Godfrey is whether or not there would be independent investigation. It was section 5 that was under debate at that time, not the whole bill. That was the question that was clearly directed towards him. He says:

"I have constantly represented that it is the position of metropolitan council that the basis

of the Maloney recommendations be adopted in the Legislature, as I stated publicly when legislation was introduced in December 1979 and again in 1980. No member of the council has challenged that position in council or elsewhere, to my knowledge, until it was blatantly evident that only the most blatant and delaying tactics would prevent the early implementation of the system that the metropolitan council has been requesting for many years."

The fact is that there are 12 members from the city of Toronto on Metro and that the city of Toronto appeared in the person of the mayor of the city of Toronto and clearly showed its disapproval for this bill, and particularly for section 5 as it now stands without the amendment.

He further states, "It would be a more than unusual occurrence if Metropolitan Toronto council, having been involved either itself or through the police commission in the initiation of every single study in the commission quoted above, should suddenly change its mind."

It is interesting that Godfrey on the one hand always tells the council over and over again that it has no powers over the police commission, that it is governed by the Police Act; but when he finds it convenient then he likes to lump them together for his own purposes in misleading this House.

He says he trusts that "this brief chronology has been of some assistance." The only assistance has been to fudge the matter even more. If Mr. Godfrey and his ventriloquist, the Solicitor General, had the guts he would have said, "I have misled the justice committee. I know that there has never been a vote." He even had an opportunity to redeem himself last week.

As a result of Godfrey's position, Alderman Sheppard put Bill 68 on the agenda of the Metropolitan Toronto legislation and licensing committee last Tuesday. It is interesting that no quorum was counted. We know that Godfrey could have got that quorum there if he had wanted to deal with that; he could have had that committee express its viewpoint. He was afraid of what would happen in that committee, and indeed he was afraid of what would happen if it had gone to Metro council for a full debate. That is why he did not have a democratic vote; that is why he saw to it that the committee did not have a quorum and could not deal with that matter.

The only misrepresentation was that there was community support for this bill without the amendment to section 5. Only today we have

seen the last attempts by this government through the Big Blue Machine to discredit the fact that we are asking over and over again, "Where is your support?" You have none other than the Big Blue Machine, which is out there drumming up Godfrey and a few Tories to come forward and somehow lend the impression that there is support. There is no one in the minority communities, no substantial group of any kind that is coming forward in support of section 5 without the amendment we are proposing.

What we are dealing with is crucial to the integrity of this bill. What we are dealing with is the setting up of a system that will or will not have the support of the two groups that must co-operate in order to make this bill work. Unless the bill has the support of the community, unless the community has confidence in it, it will not work. Unless the bill has the support of the police it will not work. What we are proposing here is an amendment that will bring about a fair system, a system that is fair to the police, a system that is fair to the community, a system that will be respected.

10:20 p.m.

If the government really believed in the position it is taking it would not have come in with a later amendment that even does away with a motion I introduced, which was passed in the committee with the help of the member for Cochrane North (Mr. Piché) and one or two other Conservatives, to have an evaluation of the program before the three-year experimental deadline.

But they could not even do that. They have an amendment which states that they do not want an open evaluation. They are afraid of the public coming before Metro and they are afraid of the public coming before the justice committee in three years, and that shows how little confidence they have in section 5 without the amendment. In fact, they know that section 5 without the amendment will not work. There is no one in the community who supports it. None of the community groups we know supports the bill. The only ones who support the bill are the minister, the police chief and the Big Blue Machine.

I ask the back-benchers in the Conservative Party to consider that seriously, particularly the Metro members. I see that one of the Metro members is at present going to her place. Unfortunately, she was not on the committee even though this was a bill of tremendous importance to her and her community. I ask her to consider voting for this amendment. If she

really believes in what her community has been saying, she should vote against the position of the minister, vote with us, vote for the amendment that is before us.

Thank you, Mr. Chairman.

Mr. Wrye: Mr. Chairman, I rise to make a few comments, though I note that the hour is late and I do not know if I will be able to complete them tonight. I just wanted at the outset to make a couple of comments about what went on this evening and to express my concern that some of our friends opposite do not seem to recognize some of the realities of March 19, that they are indeed the third party and that the official opposition—

Mr. Philip: Where was he when this bill was before the committee?

Mr. Wrye: I will get to that in a minute.

The members of the official opposition should have a few rights in this assembly. I find it very interesting that the member for Etobicoke has raised the matter of where I was on the day the vote was taken. I would like to deal with that for just a minute if we can get the member for Nickel Belt to stand down and be quiet just for a second.

Mr. Laughren: The member was conveniently elsewhere.

Mr. Wrye: I am going to give you an explanation.

Mr. Laughren: It had better be good.

Mr. Wrye: First of all, as the member for Nickel Belt and the member for Etobicoke are aware, I and the other members of my party on the committee spoke consistently and regularly in favour of the amendment that is before us tonight.

Mr. Philip: Where was your member in committee?

Mr. Wrye: Just hold it. Whoa.

When we got to the clause-by-clause consideration on Wednesday of the final week I unfortunately had been called back to my community for a pressing matter: the layoff of 1,500 Chrysler workers. But the hypocrites to our left obviously do not think the layoff of 1,500 union workers is very important; it was to their colleague the member for Windsor-Riverside (Mr. Cooke), I suppose. But had I not been there I would have heard about it, would I not? The member for Etobicoke wants it both ways. I am sorry I could not be in two cities at once.

Mr. Philip: Then the member should appoint a substitute. Where was the member for Kitchener (Mr. Breithaupt)?

Mr. Wrye: They are not interested.

Mr. Chairman: Order. The member for Windsor-Sandwich has the floor.

Mr. Wrye: Anyway, to the amendment; I just wanted to make that small point. It had also become clear that the members of the committee, who included, I believe, only one Tory from Toronto, were not disposed to vote in favour of the amendment. I guess those of us in both opposition parties hoped we could make the changes when we got to the floor of the assembly, and that is, I suppose, what I stand to appeal to the Tory members from Toronto to do tonight, to rethink the position the government has had and to support this amendment.

I appeal specifically to people like the member for St. George (Ms. Fish), who comes from a downtown riding with a large number of members of the so-called visible minorities and others who have had dealings with the police in the past, and who are probably most unhappy with the legislation as it is at present formed.

I am not certain they are unhappy, but if they are happy, they certainly did not come to the committee. As a matter of fact, the Solicitor General sits in his place knowing full well that we challenged the government to produce any members of the so-called visible minorities who supported this legislation. In spite of the fact that the committee hearings went on for some three weeks, to my knowledge not one member of that group was able to come forward.

I want to remind the members of the House, as we go through this discussion, of some of the comments that were made earlier by the Solicitor General in his opening statement before the justice committee. Early on he said: "I am convinced that Bill 68 not only represents a drastic improvement over the existing state of affairs, but also has the best chance for success of any civilian complaints mechanism we have examined. Simply put, this legislation has its foundation on co-operation rather than confrontation. Co-operation unites, confrontation divides."

A little later on he said: "I would also like to remind all interested parties that this legislation is not chiseled in stone, but is a pilot project only. Unlike some of my critics, I do not pretend to have the ultimate wisdom on this issue. The bill can be fine-tuned at any time." Do you remember those comments, Mr. Solicitor General?

I am drawn to those two comments, because one appeared very early in his opening statement, and it said that his aim was—and I will accept him at his word—to bring about an era of co-operation rather than one of confrontation. But then, later on, he suggested to the committee that the legislation was not chiseled in stone, that it could be changed. Then we sat back to see what the various witnesses would tell us, and witness after witness, group after group, came to the committee and said, "We would like to have a procedure, but we don't think the procedure you are putting in place is the best one. In fact, we don't believe it will work."

I will grant that some of the people who came before us said they would attempt to work with this procedure, mainly because the person of the public complaints commissioner, Mr. Linden, is an impressive one. Others said they would make no effort to work with this bill; indeed, if this was the only bill we were to vote on when all was said and done, it should be turned down because this bill was worse than what we at present have in place. And yet—

The Deputy Chairman (Mr. Cousens): One minute, unless you want to—

Mr. Wrye: No. At the appropriate moment I would like to move the adjournment of the debate, if that is your wish, because I will not be able to complete my remarks tonight.

The Deputy Chairman: We will give you first chance next time.

On motion by Hon. Mr. Wells, the committee of the whole House reported progress.

10:30 p.m.

Mr. Speaker: I deem the motion to adjourn to have been made and we will now hear the member for Nickel Belt.

ACID RAIN

Mr. Laughren: Mr. Speaker, I do not mind if the Conservative members leave. They have never given a sweet hoot about pollution emanating from the Inco stacks in Sudbury anyway.

A week ago I asked a question of the Minister of the Environment (Mr. Norton) concerning the emissions from the Inco superstack in Sudbury. The Minister of the Environment responded that he was not aware technology was available that would allow Inco to reduce its emission standards to a level that was acceptable.

I took umbrage at that response because there is only one conclusion one can come to if

that is a fact: Either the minister does indeed know the technology is available or he is incompetent. I suppose one could extract from me the admission there is a third possibility, namely, that officials within the Ministry of the Environment are deliberately keeping information from the minister which they know to be factual.

Back in 1975, Inco itself conducted a major study called SO₂ Abatement Budget Book through its general engineering department. In that study, Inco admitted its emissions, which were at that point 3,800 tons per day, could be reduced to 2,000 tons per day in December 1978 and down to 1,500 tons per day in December 1979.

The Ministry of the Environment received that report. It was sent to the northeastern region of the Ministry of the Environment in Sudbury. The ministry had that report. Later in 1975, Inco sent a letter to the regional director of the northeastern region of the Ministry of the Environment in which it told the Minister of the Environment it had reconsidered and that a project it originally had thought would cost \$200 million had escalated to \$300 million.

It used this rather stark line in its letter to the minister. It said, and I quote: "This situation obviously requires a complete reassessment of our position since the economic and commercial feasibility of the proposed project is fundamentally changed. A program which is not economically and commercially feasible is in fact not technologically feasible."

What it is saying is, "If it is too expensive we are not going to do it." They have always said that to the Ministry of the Environment and the Ministry of the Environment has, without exception, caved in to that argument from Inco.

The minister's attitude in this case is truly disturbing. His predecessor, then the member for Oxford, imposed a new control order on Inco which required Inco to reduce its level of emissions. This minister simply stands in his place and says, "I do not know that any technology is available." He has the audacity to claim he does not know if Inco even has the technology or if the technology is available at all.

When I said to the Speaker I wanted to debate this last Tuesday night, I received word the minister would not be here. I later received word he might be here on Thursday. I spoke to the minister on Thursday and he said: "You can have your debate any time you want. I do not intend to be there." I spoke to him again today.

He said: "I do not care. I have heard all the arguments. I am not going to the debate tonight."

I want to tell you, Mr. Speaker, perhaps this standing order needs to be reassessed. If a minister of the crown can simply thumb his nose at a member of the opposition who wants to debate a legitimate point, perhaps it is time matters like this were referred to the standing committee on members' services or to the procedural affairs committee.

It is simply outrageous that the Minister of the Environment can stand in his place either admitting his incompetence in not knowing the technology is available or pretending he does not know when he does know. I will let the Speaker's imagination deal with the ramifications of that. We in this chamber, and those of us from northern Ontario in particular, are very tired of the rather cavalier attitude of the minister of this government towards pollution.

I can recall 10 years ago when the superstack was built. Until that time sulphur dioxide pollution was a Sudbury problem. They build the superstack, the pollution goes for hundreds of miles and suddenly it is a province-wide problem. It has always been a problem—

Mr. Speaker: The member's time has expired.

Mr. Laughren: —and as long as the present minister is in his place I suspect it will continue to be a problem.

Mr. Chairman: Thank you. The Minister of the Environment, Mr. Norton, has up to five minutes to reply if he so wishes.

Hon. Mr. Norton: Thank you, Mr. Speaker. I have had the privilege in the last 50 seconds or so to hear some of the remarks of the honourable member opposite on this subject. I am not sure precisely from whence he comes, but I can—

Mr. Foulds: He comes from Sudbury.

Hon. Mr. Norton: I am well aware of that, but I am not sure precisely from whence he comes on the subject on which he was speaking.

However, the honourable member opposite ought to bear in mind first of all the degree to which both the Ministry of the Environment and the industry to which he has been referring have achieved very substantial abatement of the pollution problems of which we are all aware. With regard to his suggestion that a great deal more can be done, I agree. It is simply a question of being able to determine the most appropriate technology and putting it in place. If he can present to me—

Mr. Wildman: This is a management study.

Hon. Mr. Norton: Sure. He can hold up Inco studies and other kinds of studies, studies that have been discredited or that have been found to be impossible to achieve. Nevertheless, if the members can present to me a format or a technology—I am seeking that—which will achieve those kinds of results I would put them into an order tomorrow, and my colleagues on this side of the House would support me, except—

Mr. Laughren: Does the minister know what he is saying?

Hon. Mr. Norton: Oh yes, I know what I am saying. I know very well what I am saying. The members opposite should not deceive themselves into thinking I am saying what I am not saying; they should not get themselves sucked in. It is important they understand that in order to undertake those important and very significant steps on abatement all we need is the technology and we will do it.

I do not know about the allegations the members have made in the past of secret memos and internal documents and so on with respect to Inco or any other organization, but I can assure them that as soon as we know what the most appropriate technology is for achieving further results—

Mr. McClellan: Oh, this is very reassuring.
10:40 p.m.

Hon. Mr. Norton: I am glad. I am so reassured to hear the member for Bellwoods, with whom I have had the long-standing relationship of minister and critic, say he is reassured to see me on my feet.

Mr. McClellan: I said I was not reassured.
Hon. Mr. Norton: Oh, he is not?
Mr. McClellan: No.

Hon. Mr. Norton: I will have to take him aside again. I am sorry, we have some further work to do.

When the technology is available, and I believe we are on the brink of that, we will take those steps that are necessary. I will only be satisfied when Inco has reduced to the absolute minimum their levels of emissions.

Mr. Wildman: Here it is.
Mr. Laughren: It is right here. Can you read? Do you know what that says? There it is.

Hon. Mr. Norton: The honourable member is falling into the same pitfall as did the Leader of the Opposition (Mr. Smith) this afternoon. He is tying his whole star, whatever one ties to a star, to a single report. If he has followed through, as I am sure he must have, being a member from that area, he will understand the problems that evolve from that particular report.

Mr. Laughren: No.
Hon. Mr. Norton: The member did not address that report in his remarks earlier—at least not that I heard in any event.

Mr. Foulds: Neither have you.
Mr. Laughren: But I did.

Hon. Mr. Norton: What the member has failed to do is to recognize that there are reports which—

Mr. Speaker: The minister's time has expired.
Hon. Mr. Norton: All I can do is assure the honourable members that as soon as the technology is available, we will reduce Inco's emissions to their very minimum possible level.

The House adjourned at 10:41 p.m.

ERRATA

No.	Page	Column	Line	Should read
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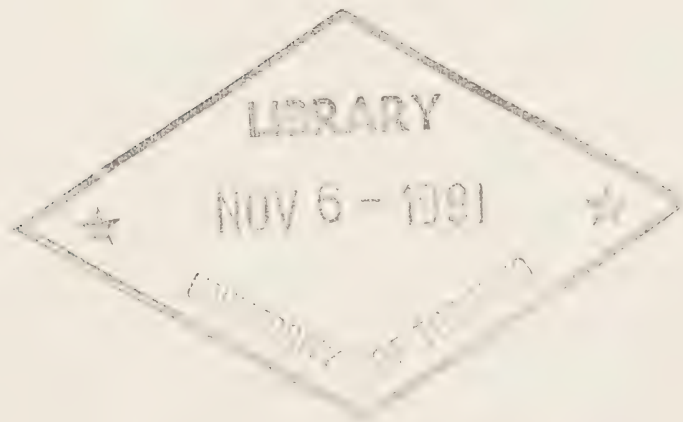


Ontario

No. 76

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, October 22, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, October 22, 1981

The House met at 2 p.m.

Prayers.

LIQUOR LICENSING

Mr. Nixon: Mr. Speaker, on a point of order, I would like your advice, sir. It has been reported to me you said in the procedural affairs committee this morning the member for St. Catharines (Mr. Bradley) and myself were out of order in bringing to your attention that the Minister of Consumer and Commercial Relations (Mr. Walker) had been misdirected in the information he provided the House. This had to do with the statement made by the member for St. Catharines concerning the extension of licensed hours under a special occasion permit.

Since the honourable minister made an allegation in this House the honourable member knew to be incorrect, what recourse does he have other than rising at the first opportunity to ask you to have the honourable minister correct the situation?

I would bring to your attention that the honourable minister has never corrected the situation. It was even incorrectly reported in the *Toronto Daily Star* because it was allowed to go forward in this House without correction. If that is not a point of privilege, what is?

Mr. Martel: I would like to speak to my friend's point of order. Over the years the experience in this House has been that even if a member is wrongly accused of doing something, he is never allowed to make an accusation against the person charging him with that. For example, if someone were to be lying about you—and I use that term carefully—you are not allowed in this House to get up and accuse someone of lying, even though they might well be. The person who gets turfed out is not the person who makes the allegation, but the person defending himself. I have argued on a number of occasions and have been tossed out of this House on more than one occasion for that reason. Although I have argued the point, I have never been able to understand why we never have been able to get a Speaker to rule that the person making the accusation should have to correct the record.

Why should the onus be on the member being

accused to get up in his place when he does not have a point or order, yet he knows what is said about him is incorrect? If he goes the route I went and calls someone a liar, he will be thrown out. It seems to me a decision on the matter and how it is to be resolved is long overdue.

In future, you should consider having the person making the allegation get up and withdraw or clarify the position. That is the individual who should be tossed out on his ear—not the person aggrieved. As soon as that occurs once or twice, such despicable practices as displayed by the minister last week would stop. The circumstances last week certainly led this House to believe the member for St. Catharines was looking for special privileges for the Liberal Party.

I would ask you to do something to rectify this. Bring in a ruling or ask the procedural affairs committee to establish some sort of rule to rectify the situation once and for all.

Hon. Mr. Walker: Mr. Speaker, I would like to respond to what appears to have been a point of order raised by the honourable member for Brant-Oxford-Norfolk. He has indicated there was some incorrectness in my comments on Friday. In light of the points of order raised by the member for St. Catharines, in light of the points of order raised by various members of that party, I reviewed the instant Hansard which was provided me at the time. I was satisfied in looking at it that every single comment I made was 100 per cent correct. I would ask any member who disputes that to tell me what section they consider incorrect.

I was speaking to exemptions or exceptions to rules generally and I very carefully pointed out that the case involving the St. Catharines' Liberal Association had to do with the special occasion permit. The matter involving the licence of the Harbour Castle Hotel for that international charity was an extension of the regular licence for one hour. I was referring to the general concept of exceptions that are made to rigid rules from time to time. I still stand by that. Having reviewed every word I said during that day I would say it is 100 per cent accurate.

Mr. Bradley: Rising on the point of order, I think the point the House leader for the Liberal

Party is making is that the opportunity for members to refute the contention made by a person in the House should be allowed to us through a question of privilege in the House.

2:10 p.m.

What was reported, as far as the procedural affairs committee is concerned, was that somehow I was wrong in attempting to use a point of privilege to correct that misconception. The impression was left with most members of the House, and certainly was reported in the media, that the member for St. Catharines had been able to obtain, through intervention with the minister's office, an extension from 1 a.m. to 2 a.m., because that was the subject of the question. That was the impression that was given and, of course, that is totally inaccurate.

What I explained in my point of privilege was that all the member for St. Catharines had indicated he had asked for was the same privileges that had been extended to the Progressive Conservative Party a few weeks earlier and not to other groups.

Mr. Speaker: In replying to the member for Brant-Oxford-Norfolk on the point of order he raised, I hope there is not any misunderstanding in what I said at the committee this morning.

I would like to call the attention of all members to this matter which was raised on a point of privilege. On Monday, May 25, I pointed out to the House, as have previous Speakers, that when a member considers the remarks of another member to be offensive it may constitute a point of order, but it is certainly not a point of privilege. That was the point I was trying to make.

I will repeat the definition of privilege as contained in standing order 18: "Privileges are the rights enjoyed by the House collectively and by members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedent, usage and custom."

Actually, all I had said in the earlier ruling—and I stand by it—was that it was not a point of privilege. The member rose to correct the record, and there is nothing wrong with that, but I suggest it should have been raised as a point of order. That is the only point I was going to make. I hope that is clear—that members do have the right to stand up and correct the record.

ONTARIO ENERGY INVESTMENT

Mr. Cassidy: Mr. Speaker, on a point of

order: Rule 26(c) says specifically, "After any policy statement the minister shall table a compendium of background information."

I want to bring to your attention that the compendium of background information that has been received with respect to the Suncor purchase consists only of documents already available in the public domain. It comprised the annual report of Sun Oil, the annual report of the Ontario Energy Corporation and other material that is readily available in the public domain. There has been no effort made by the government to make available to the members of this House any of the papers on which the decision to acquire Suncor was based.

In addition, while the announcement was made in this House on October 13, a week ago Tuesday, the one document that has been prepared here is dated October 21—yesterday.

I ask you to look at this, Mr. Speaker, with a view to ensuring that compendiums are prepared before announcements rather than a week afterwards and that the compendium of information is not just public relations material available generally but that it pertain directly to why the government decided to do what it has done.

Mr. Smith: On that point of order, Mr. Speaker: I think this is an extremely serious matter, and I ask you to give it your very strict attention. You are aware, sir, that the purchase of 25 per cent, and the possible eventual purchase of 51 per cent, of a major oil company is one of the largest deals consummated in Ontario in recent memory.

The compendium that was being sought had to do with the facts upon which the government based this important decision for utilizing scarce and borrowed resources. It obviously dealt with the advice by McLeod, Young, Weir Limited, an analysis done by Price, Waterhouse and Company and any other such detailed information upon which the government may have based its decision.

It is very difficult for us in the opposition to be able to deal with this matter in any detail, other than a general impression we may have, if we are to be denied access to the information upon which the Premier (Mr. Davis) based his decision.

When we asked for a compendium we did not expect the matter to be treated as something of a joke. What else can one call a compendium which starts with a paper on Energy Security for the Eighties; A Policy for Ontario, a paper issued some time last year; a compendium

which goes on to a speech made a year ago by the Minister of Energy (Mr. Welch) on a so-called energy program; which reprints the national energy program as though members of this House were unaware of it, and then provides a glossy press handout which is obviously of no value at all in having reached a decision?

The only new piece of information was prepared just yesterday and has to do with information freely available in the public press or on the front page of the Suncor report itself.

I honestly believe a warped sense of humour has gone into the compilation of this so-called compendium, although I suppose one is more amused on some days than on other days. I ask you, Mr. Speaker, on a serious matter of this kind, to recognize that contempt is being shown for members of this Legislature. I would ask for a serious compendium to be given, containing the detailed financial information upon which the government made this decision. And I would ask you not to permit this government to continue to keep the elected representatives of the people of Ontario totally in the dark—including their own back-bench members and maybe the ministers themselves—on the financial basis of this vital and important transaction.

There is a time when democracy has to count for something in this House. I would think on a matter of this kind the humour shown by this compendium is not funny and deserves your attention, Mr. Speaker.

Mr. Foulds: Mr. Speaker, it is my understanding that compendium means the facts—a total collation of the information on which a decision was made. We know from what the Premier has said at his press conference there is information in addition to that which has been tabled in the Legislature. There is the information they got from the financial consulting firm, McLeod Young Weir, for example. Clearly the Premier and his government are in contempt of the standing orders of the Legislature.

Also, the government has an obligation to table those documents and the analysis its own officials did in considering the takeover of 25 per cent of Suncor; otherwise the Premier should get up in the House and say they made no analysis, that they did it by the seat of their pants.

Mr. Speaker: This matter has been raised on several occasions and quite obviously there is a difference of opinion on what—

Mr. Martel: Yes, but there is no action forthcoming.

Mr. Foulds: There is contempt for the standing orders of the House.

Mr. Speaker: The standing order of the House, as I understand it, has been dealt with. It is difficult for me to rule on the adequacy of the information. I am not privy to this type of information to make a judgement any more than any other member of this House; in fact, not as much. However, your point has been well made. It will be drawn to the attention of those people entrusted with the responsibility of providing this information.

Mr. Smith: We are not going to be kept in the dark, Mr. Speaker.

Mr. Speaker: I am not suggesting that, with all respect.

Mr. Smith: This is a joke.

Mr. Speaker: Perhaps—order.

Mr. Smith: There is an arrogance—

Mr. Speaker: Order. Your point has been well made. The matter will be brought to the attention of those who have responsibility for producing this information. As I said before, it is impossible for me to rule on the adequacy of the information.

Mr. Cassidy: Mr. Speaker, on the point of order: Could we appeal to you as the Speaker responsible for carrying out the functions of this Legislature for a ruling which would seek to define and that would give guidance to government ministers as to just what a compendium of information ought to contain.

It is surely not enough in our opinion that you will bring our comments and opinions to the attention of the government ministers. They can read Hansard as well as anybody else. What is required, Mr. Speaker—and what we look for from the presiding officer of this Legislature—is an independent judgement as to what the rules mean or do not mean. Could we have that ruling from you in the near future, Mr. Speaker?

2:20 p.m.

Mr. Speaker: Yes, I will be prepared to take a look at that but I want every member to understand that I am not privy to information.

Before we proceed, I would like to take the time to introduce to the members of this Legislature a very distinguished visitor who is sitting in the Speaker's Gallery. She is Madam Simone Veil, president of the European parliament, who has graced us with her presence here today.

STATEMENTS BY THE MINISTRY SAFETY IN PROFESSIONAL BOXING

Hon. Mr. Walker: Mr. Speaker, in May I

reported to the Legislature the recommendations of the federal task force on boxing in Canada as well as several initiatives being undertaken by the Ministry of Consumer and Commercial Relations. I would like to outline the progress since that time.

Mr. Smith: You are going to buy 25 per cent of Sugar Ray Leonard.

Hon. Miss Stephenson: No, 25 per cent of you as a mud wrestler.

Hon. Mr. Walker: We will give you a compendium as well—a complete pedigree.

By way of background, last year's tragic death of boxer Cleveland Denny and serious injuries to another boxer, Ralph Racine, led to the establishment of the federal task force. Six months later the task force made several recommendations, many of which are being implemented by my ministry.

First, Ontario boxers will be required to carry a passport-type licence which will show their fight and medical records. The licence will be surrendered before the fight and returned to the boxer after the fight results and medical examination have been entered. The only other jurisdiction in North America which uses this type of licence is the state of New York.

We realize this system can only be effective if it is implemented and in force in other jurisdictions, so we are taking it one step further. Since many boxers who fight in Ontario are from border states such as Pennsylvania, Ohio and Michigan, I have just written to the governors and boxing authorities of each of those states asking for their co-operation in setting up an effective record-keeping system. This way we can better ensure the information contained in the boxer's passport is up-to-date and accurate. This precaution, coupled with a computer check through our terminal to the New York state data bank system, should help prevent future tragedies. It is believed, for example, that unreported recent knockouts in other fights could have contributed to Mr. Denny's untimely death.

An important component of our efforts to make boxing safer in Ontario is to assist boxing officials and ringside physicians in becoming more knowledgeable about the medical hazards faced by boxers every time they step into the ring. To this end, I announced in May that instructional clinics would be developed by our Ontario Athletics Commissioner, Clyde Gray. The first in this series of medical clinics will be

held in Toronto this Saturday. I think it is worth mentioning that it is the first of its kind in Canada.

The response to Mr. Gray's efforts has been overwhelming. We were anticipating about 80 people but nearly double that number have responded so far. This one-day seminar will be attended by top-notch referees, trainers, managers and boxing authorities from across Canada and the United States. About 15 Ontario doctors are also expected to attend. Dr. Bruce Stewart, a noted Toronto neurologist, former amateur boxer and our new medical director in the athletics commissioner's office, will be instructing doctors on how to examine a boxer before a fight and what to look for during the bout.

It should be pointed out that ringside doctors play a doubly important role as they now have the power to stop a fight at any time for medical reasons. In many jurisdictions a doctor can only stop a fight between rounds, perhaps too late to prevent serious injury to a boxer. Dr. Stewart will also be using video tapes of fights where boxers have been killed or seriously injured to illustrate when a doctor should intervene.

I would also like to extend my thanks to the honourable Gerald Regan, federal minister responsible for fitness and amateur sport, for contributing to the cost of our seminar.

While it may be impossible to eliminate death or serious injury in the ring, I am convinced my ministry is doing everything in its power to ensure that the risks to boxers who fight in this province are minimized. I believe this province is a demonstrated leader in this regard.

Mr. Speaker, I would like to introduce the new athletics commissioner, Mr. Clyde Gray, who is sitting in the Speaker's Gallery, on the far side. Many will know Mr. Gray. Since becoming a professional boxer in 1968 he has had 78 professional fights and was ranked number one contender for the world championship three times between 1973 and 1977. Mr. Gray was appointed supervisor of boxing in 1980 and was promoted to athletics commissioner in October 1981.

Dr. Bruce Stewart, sitting beside Mr. Gray, now is with the Ontario Athletics Commission as medical director. He is chief of medicine at the Etobicoke General Hospital and an assistant professor of medicine at the University of Toronto. He has been a ring physician with the commission since 1966 and has just been appointed medical director.

LAND-USE PLANS

Hon. Mr. Pope: Mr. Speaker, you will recall that last Thursday I tabled a document concerning a land-use plan for the West Patricia area of Ontario. Today, also as part of my ministry's extensive land-use planning program, I am tabling two boxes of recently-published material.

The first package contains background information documents for land-use plans in 23 of my ministry's 47 administrative districts. Additional material consists of a brochure about the land-use plan for Wawa district, a tabloid that presents an overview of land-use planning for the eastern administrative region and a set of general land-use planning guidelines.

The second package consists of mailing lists—names and addresses of individuals, organizations and agencies to whom my staff routinely forward all published material pertaining to strategic land-use plans for the northwestern, north-central and northeastern regions of the province, the southern Ontario co-ordinated program strategy and the West Patricia land-use plan.

These extensive lists reflect the emphasis my ministry places on the public involvement phase of our strategic land-use planning program. As I said in my statement last week, I consider public participation an extremely important step in the planning process.

I regret that individual copies of this material are not yet available for the news media. However, copies are filed in the Natural Resources library and the public reading room in the Whitney Block. Also, in each district documents are made available to the local members of the Legislature and the press.

It is my intention to table additional land-use plan documents as they become available for the remaining districts. This will ensure that each and every member is fully aware of the scope and significance of this very important program.

PUBLIC OFFICERS ACT

Hon. F. S. Miller: Mr. Speaker, the Public Officers Act requires that, within the first 15 days of every session, I advise this assembly of all securities furnished on behalf of public officers and of any changes made to securities. Since my statement of May 5, 1981, there has been no change in either category.

ORAL QUESTIONS

PURCHASE OF JET

Mr. Smith: Mr. Speaker, I have a question of the Minister of Natural Resources.

Ontario faces a very serious crisis in terms of our diminishing forest resources, which are falling behind in regeneration by at least 160,000 acres per year. Given that the minister would have been able to regenerate more than 100,000 more acres had he had an additional \$10 million, does the minister sincerely feel that the purchase of a \$10.6-million, 12-seat executive jet as a kind of status symbol for the Premier (Mr. Davis) was justified in these circumstances? Under what possible system of priorities could the minister have approved of that purchase when, instead, he could have improved the regeneration program to the tune of 100,000 acres?

Hon. Mr. Pope: I was wondering, Mr. Speaker, when the Leader of the Opposition would get to that. If he had taken the time to study the information made available he would have seen that the aircraft will substantially improve access to virtually every airport in northern Ontario.

Mr. Breithaupt: How many can it land at?

Mr. Laughren: Are you planning to extend the runways?

Interjections.

2:30 p.m.

Mr. Speaker: Order.

Mr. Smith: I must confess, Mr. Speaker, I had difficulty hearing the answer. I think what he said was that it was better to buy a jet than to plant 100,000 acres of trees, because it would somehow speed up the access the Premier has to various parts of Ontario.

As a supplementary, may I ask the Minister of Natural Resources whether he bothered to check into the cost of renting jets for those rare occasions on which it is necessary for the Premier to get somewhere that quickly? Has he found, as we did when we checked into these costs, that simply for the cost of interest alone on the \$10.6 million—leaving out the cost of fuel, the cost of storage, the cost of pilots and maintenance—the Premier could have rented the equivalent jet any time he needed it to travel anywhere in Ontario back and forth every day of every year from now on, and it would still have been cheaper than the cost of the interest alone? How can he justify buying this status symbol, this prize for having won a majority

government, when in the minister's own department the forest regeneration program is lagging so badly?

Interjections.

Hon. Mr. Pope: Mr. Speaker, does the member want to hear the answer this time?

Mr. Riddell: Speak up, or are you embarrassed.

Hon. Mr. Pope: My friend should just listen. He should stop roaring like a bull and listen.

Mr. Riddell: Maybe you don't want us to hear.

Ms. Copps: Give him time to think.

Mr. Speaker: Order. The Leader of the Opposition has asked a question. The minister will reply.

Hon. Mr. Pope: Mr. Speaker, I note that the Leader of the Opposition—I think it was in a Global News interview—made the same case the Friday after the announcement. I replied to him that if he took the cost of his limousine and equated it to the return fare for a cab to and from Hamilton, he could virtually come to and from Toronto every day as well. I did not notice the Leader of the Opposition doing anything about his limousine.

The truth of the matter is that the jet improves the access of this government to every airport in northern Ontario. The purchase of this jet did not come out of my budget, and therefore his little equation does not hold water at all, nor do his figures about regeneration efforts in this province. The areas available to be regenerated in this province include areas that still have some species of trees to be harvested on them. Almost 40 per cent of that regenerated area still contains poplar that has to be properly harvested before we get back on the regeneration.

The member should examine our efforts through the Board of Industrial Leadership and Development program; he should examine our efforts through direct expenditures on tree nurseries and acquisition of stock; he should look at what we are trying to do with the forest management agreement.

By the way, not one of the Liberal Party representatives showed up in Thunder Bay or Dorion to look at the details of that forest management agreement. They do not care about what is going on in northern Ontario. The member for Port Arthur (Mr. Foulds) was there, but not one of the Liberal caucus showed up.

Mr. Foulds: You just lost me another 10 delegates, Alan.

Mr. Speaker: Order.

Mr. Cassidy: Mr. Speaker, will the minister be more specific in terms of what the government expects to get, and for whose benefit, in return for the equivalent of \$6,000 a day of interest just to have that plane sitting on the ground out at Malton or at one of the private airports on the edge of town? Is he saying that for \$6,000 a day there will be better service to the people of Ontario? Or is it that the government really wanted to have more quick trips in and out so that Conservative ministers could go on a ribbon-cutting rampage in northern Ontario as part of their means of trying to keep in power?

Hon. Mr. Pope: Now I know why the NDP's position is deteriorating in northern Ontario, Mr. Speaker. They are even against new projects and more ribbon cuttings up there, and we are in favour of them.

While we are playing this little word game and this little posturing game, let us go back a little in history and look at a select committee on tile drainage meeting in Quebec City in about 1976. At those little meetings one spokesman from each party got up to thank his hosts. The spokesman for the New Democratic Party stood up in 1976 and said: "I want to thank you, government of Quebec, for your hospitality. You know how to do things correctly in this province. You have four jet planes, and it is time the government of Ontario bought a jet plane." That man was Bill Ferrier.

Mr. Breithaupt: That just shows he was wrong too.

Mr. Speaker: Order.

Mr. Smith: Since the minister seems to be satisfied with his ministry's performance in the regeneration of trees, is he familiar with the recent federal study, dated September 30, 1981, which I hold in my hand and which says, "Shortages will become widespread in the 1980s unless forest renewal performance in Ontario improves dramatically"?

When he says this new status symbol for his Premier did not come from his budget, is he not aware that it was in one of his ministry's news release that the news was released and that the Minister of Government Services (Mr. Wiseman) said yesterday that it did not come out of his budget? Will any minister own up to whose budget this totally unnecessary toy has been purchased out of?

Hon. Mr. Pope: As usual, the Leader of the Opposition has interpreted my—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Pope: Does the Leader of the Opposition want to hear the answer?

Mr. Smith: Yes.

Hon. Mr. Pope: Okay. As usual, the Leader of the Opposition has interpreted my words the way he wants. I said there was no money allocated for the purchase of that aircraft out of the forestry budget or out of any other operating budget of my ministry. I said there was no transfer of funds from my budget to pay for the purchase of that plane, and the member knows exactly what I meant; so he should not play his word games with me.

The second point is that all the aircraft in the province of Ontario fall within my ministry. That is why I issued a press release. So the Leader of the Opposition should not say we are hiding on that either. Never mind his retroactive interpretations.

If the honourable member reads the federal study, it does say there is a Canada-wide problem in regeneration and reforestation programs—

Mr. Bradley: Particularly in Ontario.

Hon. Mr. Pope: Not particularly in Ontario. I ask the honourable member to show me where that study says that. In fact, if there is a particular Canada-wide problem, we are part of it. But we have taken more steps than any other jurisdiction.

Ms. Copps: You certainly are part of the problem.

Hon. Mr. Pope: What would the member know about it? Did she go to Thunder Bay or Dorion to look at the forest management agreements? Or is she an instant expert on everything?

Ms. Copps: I went to Sudbury. I was talking with workers and owners of timber mills all the way up to and including Hearst.

Hon. Mr. Pope: Oh, she was in Sudbury. How many mills are in Sudbury? With her intimate knowledge of northern Ontario, let her tell me all about it.

Mr. Speaker: Order.

Hon. Mr. Pope: Mr. Speaker, we are doing more in this jurisdiction in terms of direct government investment in nurseries, in planting trees, in forest management agreements than any other jurisdiction in Canada, and we should be proud of it and support it.

Mr. Speaker: New question, the Leader of the Opposition.

Mr. Smith: Ah, the promising young man is no longer promising.

I must say, the jet is an incentive now to many northern ridings to shorten their runways so the Premier will not be able to land there.

Mr. Speaker: Is there a new question?

UNEMPLOYMENT

Mr. Smith: Mr. Speaker, I have a question for the Treasurer.

Given the recent unemployment figures, which show that for every five unemployed persons in Ontario in August a sixth person now has been added to that list in September, and given that the Treasurer usually likes to talk of having created new jobs in Ontario, is he aware of the comments of Mr. Richard Thomson, the chairman of the Toronto-Dominion Bank, who said, "Ontario outside of Toronto is in real trouble"? That is a direct quote. And is he aware of figures which indicate that outside of Toronto there actually has been a net loss of 14,000 jobs in the last year?

Given that situation, will the Treasurer tell us exactly what measures he intends to take, and has he been aware of this net loss of jobs outside the Metropolitan Toronto area?

2:40 p.m.

Hon. F. S. Miller: Mr. Speaker, I guess it is the job of the Leader of the Opposition always to paint the world as a gloomy, unpromising place; he did so all during the election campaign. The people of the province did not buy the story then, nor will they buy it now.

I have to say the fact is that in September we had an increase in the number of people employed in the province, in spite of the fact that the statistics, which currently have to be reviewed by the federal government, showed 62,000 more entrants or available people in the labour force that month. That is a month when students are considering going back to university, and they tell me it is the month of the year when the statistics are least reliable for the actual number of people available to work.

In spite of that relatively large group applying or saying they were available for work, we had an increase in employment in that month. We were at 129,000 more employed people in this province at the end of September than a year ago, and we only projected 106,000.

Mr. Smith: Given that there was an increase in the number of people employed in Ontario but that there was even a larger increase in the number employed in the Metro Toronto area, where, unfortunately, there was also a larger number of people eligible for employment at

the same time, is the Treasurer not aware that outside of Metropolitan Toronto, not only was there a greater number of people looking for work but also there was an actual net loss of 14,000 jobs? That and other things led Mr. Thomson to say Ontario was in trouble outside of Toronto; as far as I know, he is not running for any election at this time.

Is the Treasurer further aware that last year's figures showed that in the same monthly period, when students were going to school and all that, unemployment moved in the opposite direction to that which happened now?

Given that the situation outside Metro is serious and that jobs are actually being lost outside Metro—even if they are being created within Metro—does the Treasurer not think the \$650 million might have been better spent to revitalize Ontario's industries and make Ontario the place where the action is instead of sending that money to Alberta, which apparently now is the only place the government sees any action?

Hon. F. S. Miller: I did not think the money went to Alberta.

The fact remains that in the Board of Industrial Leadership and Development program we have created a blueprint for development that has been hailed around this province as attacking the really strategic problems, and it has been seen by other provinces as a very valid one. I am told it is being copied by the state of Michigan at this moment, because they too think it is a very good program.

I have to tell the honourable member that we are tackling the problem. Sure, there are months when one geographic area does better than another. I am intrigued to find the member quoting a person whom he really has not been supporting very much lately, a bank president.

Mr. Cassidy: Mr. Speaker, it is now eight months since the BILD program was brought in to try to repair the ravages that were made in this economy by this government over the many years it has been in power. Is the minister not aware that the impression the government gave, the promise the government gave, was that this was going to bring down unemployment? What is happening now? Were they misleading the public back in January when the BILD program was announced? Is it not correct that people were bilked by BILD, because it was a cynical grab for power in January of this year?

Hon. F. S. Miller: I suppose the party that saw

its strength in this House decimated would think so, Mr. Speaker. The fact is, the people of this province did not think so.

Mr. Smith: As a serious supplementary question—

Hon. Mr. Henderson: That's something new for you.

Mr. Foulds: There's always a first time.

Mr. Cassidy: You really spread it around, don't you, Stuart?

Mr. Speaker: Order.

Mr. Smith: Given the fact that our manufacturing sector is admittedly in some decline, given that even the Minister of Energy of Ontario (Mr. Welch) in responding to my question Tuesday, when I asked why he was investing in an Alberta oil company instead of an Ontario industry, said Alberta is where the action is, and given that some of us can remember when Ontario was where the action was, will the Treasurer not admit that the \$650 million could have been much better used to create jobs here in Ontario by supporting Ontario industries instead of sending it out of the province where it will guarantee neither one additional barrel of oil nor one additional employed Ontarian?

Interjections.

Hon. F. S. Miller: I am pleased to hear the Minister of Industry and Tourism (Mr. Grossman) say he had all the money he needed.

Mr. Speaker: Order.

Hon. F. S. Miller: I just make a mental note that the allocation process is on this week. I hope some other colleagues will say the same thing.

The fact is, we have done many things to stimulate industry in this province. I find it difficult to follow the consistency of the Leader of the Opposition. One day he tells us not to intervene in the private sector, sounding like the most right-wing person in the country when he hammered us last year—

Mr. Smith: I never said that. It is a question of which private sector. How about ours instead of Alberta?

Mr. Speaker: Order.

Hon. F. S. Miller: He did so. He should go back and look at last year's Hansard.

Mr. Speaker: Order. The Leader of the Opposition asked a specific question. Will the Treasurer please address that?

Hon. F. S. Miller: With great respect, Mr. Speaker, why is he not the butt of your comment? He is the one yelling from his seat. He is the one who is getting his high blood pressure up. He is the one who is going to have an apoplectic stroke. Really, I suffer for him.

Mr. T. P. Reid: No one looked sicker than you last week when we talked about your resignation on a matter of principle.

Mr. Speaker: Order.

Hon. F. S. Miller: I have just heard from the one Liberal from the north who cannot even run on a Liberal ticket. He has to call himself the Labour-Liberal member from the north.

Mr. T. P. Reid: On a point of privilege, Mr. Speaker: The Treasurer knows as little about northern Ontario as he knows about buying Suncor. The Liberal-Labour tag goes back in history and tradition to the 1920s, and it is a banner I wear proudly. Besides, it drives them crazy at election time.

INTEREST RATES

Mr. Cassidy: Mr. Speaker, I would like a page to take to the Treasurer a copy of the report that now has been made available in Ottawa with respect to the impact of high interest rates on the housing sector.

This report indicates that 30,000 to 40,000 households across Canada are going to be in a tragic situation as a result of the high interest rates and that the owners will be forced either to try to sell their homes, walk away from their homes and face foreclosure, or else to pay a huge proportion of their income to retain their homes. That means 15,000 families are facing that situation here in Ontario as a result of the high interest rates in the situation that exists in housing in this province now.

Does the minister not agree that it is time to have a real housing program to get affordable housing in Ontario? When will we see that from this government?

Hon. F. S. Miller: Mr. Speaker, with great respect, I suspect that question would best be directed to the Minister of Municipal Affairs and Housing (Mr. Bennett), because that is his basic responsibility.

Mr. Mancini: He is not here.

Hon. F. S. Miller: I recognize he is not here. I have to tell the leader of the third party that this province has expressed its most serious concern to the federal government on the plight of these people. I did so when I attended the meeting of the ministers of finance in Ottawa in late

September or early October. I expressed our concern that the federal government of this country has allowed to exist, through the Bank of Canada and through its own total fiscal irresponsibility, a state of affairs that has raised those interest rates and put people at jeopardy.

Mr. Cassidy: Given the evidence, again of the Canada Mortgage and Housing Corporation report, indicating that tens and hundreds of thousands of other families are having to pay \$300 to \$350 a month more when they renew their mortgages, which indicates that families that bought homes in good faith in Toronto five years ago may now have to pay 49 per cent of their after-tax income to hang on to their homes, and given the Treasurer's own charge that the Bank of Canada is acting irresponsibly, then if the government thinks the Bank of Canada is acting irresponsibly, why does it not bring in measures in this province that will bring the Bank of Canada to bring the interest rates down?

Why does the Treasurer not begin by taxing the excess profits of the banks here in Ontario to get them on our side and on the side of people who are paying far too much in high interest rates?

Hon. F. S. Miller: Now I understand why the member left writing as a financial journalist to become the leader of the New Democratic Party, because things are not that simple. It really does require some co-operation from the federal government on a cross-Canada basis to solve this problem. The tax resources of this province simply cannot deal with the problem as easily the leader of the third party says.

2:50 p.m.

Mr. Mancini: Mr. Speaker, in 1975 the Treasurer's party gave first-time home owner grants and promised an interest rate subsidy program, thereby encouraging many people to buy homes. Now that those people are in their homes, why does the minister refuse to help them stay in their homes? Why does he wish to sit back and watch many hundreds and even thousands of families having to walk away from their homes?

Hon. F. S. Miller: I wish there were simple solutions, Mr. Speaker. I have looked into the problems, and I am sure the other members have also, of individuals faced with the horrendous problem of having their mortgage payments almost doubled. Assuming they have had their houses for five years, the problem may not be so grave in percentage of income. A lot of

them have made those mortgage changes within the last year and, therefore, they predicated their 30 per cent or whatever factor it was on last year's salary to find it is 40, 42 or 43 per cent this year.

There are many people with these problems who have many other debts relating to consumer loans, and they have not had the time to adjust their cash flow to put their money where their first priority is: on their homes. I suggest we have to give them this time through some mechanism that will allow them to adjust their budgets so their houses remain theirs. I cannot think of anything more important for the average Canadian than to be able to hold on to the title to his home. Obviously I have encouraged the federal government to help us find ways, and I have pointed out that Ontario is willing to help.

Mr. Cassidy: Given that there were 15,000 families in this position, whom the minister himself admits will be paying 40 or 42 per cent—this study indicates up to 49 per cent—of their after-tax income just to hang on to their homes, what specific mechanism does the minister have in mind? And why is it, with this crisis brewing over the course of the last five months, there has not been one action taken by the government, not one word of legislation that would put such a mechanism in place to defend those 15,000 families? Surely they need help now. What is he going to do about them?

Hon. F. S. Miller: I think it has been generally accepted that the primary taxing power is at the federal level, and the monetary authority is all there. We have been arguing that the courses of action that have kept our rate at 20-plus per cent have not been because of the mismanagement of the Bank of Canada but because of mismanagement by the government of Canada, to which the Bank of Canada reports.

We have been very anxious. Every finance minister has discussed this problem with the federal government. We simply have to point out to them that we will be willing partners in any program. At the same time, there are a lot of people who, through many conscious decisions, kept their homes. Life is never simple. Some of those people say, "I have solved my problem, and I am not willing to pay the tax for somebody who has not."

ELECTION SPENDING

Mr. Cassidy: Mr. Speaker, I have a question for the Premier. Yesterday, I released to the press figures that indicated the Progressive

Conservative Party spent \$8 million to get re-elected in March 1981, between the central campaign, the riding campaigns and the local campaigns on behalf of the PC party. Since that was 80 per cent of what it took for the election campaigns of the federal Liberals and the federal Conservatives just over a year ago, does the Premier agree that spending by the Progressive Conservatives was excessive and represents an abuse of the democratic process in Ontario?

Hon. Mr. Davis: Mr. Speaker, I do not think the democratic process was affected. I never minimize the effect of programs during the course of an election campaign. I sometimes think we exaggerate the effect, whether it be commercials or whatever, in terms of how voters react. That is a personal point of view from my standpoint. My simple answer to the question would be no.

Mr. Cassidy: In view of the fact that the Premier stands almost alone among a lot of observers across the province who do feel that the process is being abused, that, as I said, the amount of spending by the Conservatives was obscene in this campaign and that there should not be a democracy where one party is enabled to buy its way back to power because of the absence of any limits on election spending, will the Premier undertake now that before the 1985 election there will be limits put on the spending of the central campaigns by the parties and on the spending at the local constituency level here in Ontario which would be comparable with the present limits imposed on federal campaign spending under the Canada Elections Act?

Hon. Mr. Davis: I think the honourable member will observe that there are some very distinct differences between the two acts. One can argue the limitations on expenditures, but one can also argue the limitations, or lack of limitations, in respect of fund-raising.

In essence, the leader of the third party can apologize whatever way he wants to for his lack of success on March 19. I have news for him. He did not lose because he did not spend more money. He lost because he did not have the policies, he did not have the commitment and he could not persuade the people of Ontario that they wanted to support a Socialist government. It was as simple as that.

Mr. Speaker: Supplementary; the member for Essex South.

Mr. Martel: Why do the Tories need the money if they're so good?

Mr. Speaker: Order. The member for Essex South has the floor; the member for Sudbury East does not.

Mr. Mancini: Mr. Speaker, I ask the Premier if he is not personally embarrassed by the expenditures listed by the member for St. Andrew-St. Patrick (Mr. Grossman), who spent \$90,000 more for his own campaign than was spent by the three candidates in the Essex South riding. Is the Premier not personally embarrassed that one of his cabinet colleagues had an expenditure list that could be compared and called obscene?

Hon. Mr. Davis: I do not know, Mr. Speaker. I can go over into another riding—I think it is St. David, if memory serves me correctly—and take a look at what the Liberal candidate spent there.

I am not embarrassed by any of my colleagues or any members on this side of the House. They won because we presented the best program, the best record and the best degree of confidence in terms of leadership in this province. That is why that election was won, and not because of any fund-raising or expenditures, which the third party leader may use to rationalize his own position at the moment.

Mr. Cassidy: If the Premier is convinced that his party won because of its program and its policies, why will he not agree to making the rules of the game fair as far as the question of money is concerned?

Does he not think it is an unhealthy situation when, for example, the Minister of Municipal Affairs and Housing (Mr. Bennett) received donations to his campaign from Cantrakon and 45 other corporations that are linked to the real estate industry?

Does he not think it is unhealthy when developers contributed more than \$110,000 to the campaigns of large numbers of Conservative cabinet ministers and candidates across the province?

And does he not think we will have a healthier situation if limits are put on campaign spending so all this corporate money is not sloshing around and meddling in politics?

Hon. Mr. Davis: There is nothing in the legislation I know of to preclude people, in their judgement, making a contribution to the honourable member's party—nothing whatsoever.

I suggest to the member that one of the problems with his party is that it has become so oriented to a single philosophy and support in this province; it is time he endeavoured to expand his base.

I have to tell him, there is nothing to preclude him from trying to get other people to monetarily support his party. He knows why they do not: They do not want to see it in government. It is as simple as that. I happen to share their point of view.

Mr. Speaker: A new question from the member for London Centre.

Mr. Peterson: The reality is that they both sold out: to the corporations and to the unions. We are the only honest party left. That was an aside, Mr. Speaker, and not a question.

3 p.m.

ONTARIO ENERGY INVESTMENT

Mr. Peterson: Mr. Speaker, I have a question for the Treasurer. Can we have the Treasurer's assurance that he will table in this House very soon the Price, Waterhouse and McLeod, Young, Weir studies of the Suncor purchase for scrutiny by this House?

Hon. F. S. Miller: I would like to reply, Mr. Speaker, to the young millionaire from London who is running for the Liberal Party, because that is the way he was described in the press the other day. After that last glowing aside about the Liberal Party being the only honest party, I just had to put that in.

My answer is no, I can give no such assurance.

Mr. Peterson: Why should that be secret? There is absolutely no reason for that whatsoever, and it should have been part of the compendium.

My second question to the Treasurer is, how is this matter going to be debated before the House?

The Ontario Energy Corporation Act, section 18(1), says: "The Treasurer of Ontario, with the approval of the Lieutenant Governor in Council and upon such terms and conditions as the Lieutenant Governor in Council may prescribe, may make loans to the corporation and may acquire and hold as evidence thereof bonds, debentures, notes or other evidences," et cetera.

Section 2 goes on to say that "the moneys required for the purposes of subsection 1 shall be paid out of the consolidated revenue fund," which means in effect that this matter will not come before the Legislature by way of a bill.

Will the Treasurer give us his assurance that he will bring this matter into this House by way of legislation for a full public discussion of this purchase?

Hon. F. S. Miller: I have never known the member, or any other member of the opposition, to be constrained by some simple technical fact from discussing those things he wishes to discuss in an estimates debate—in my estimates or those of my colleague the Minister of Energy (Mr. Welch).

Mr. T. P. Reid: Mr. Speaker, can I ask the Treasurer why that information will not be available, since under the rules of the House he is required to provide this information? Second, will he also table the public opinion polls on which the government must have based its decision, because it does not do anything without them?

Hon. F. S. Miller: No, Mr. Speaker; it is simply that the public opinion polls always reflect that which we do. It is the other way round. When one is right all the time, the public opinion polls show it. We do not have that problem. We do not have to look at the polls until after the decisions are made.

I did not say it would not be submitted. I said I could not give the assurance that it would be submitted.

LUMBER COMPANY LAYOFFS

Mr. Laughren: Mr. Speaker, I have a question for the Minister of Natural Resources—and it is not about the broken promise to build a food terminal in Timmins.

Does the minister condone the actions of Wesmak Lumber Company and Chapleau Lumber Company in the Chapleau area, considering that they have completed shutting down one town by bulldozing the homes to the ground and are waiting for snow before they set fire to them, and that they are in the process of laying off workers in another community and have already issued eviction notices of 30 days' length to some of the workers?

Does the minister believe that is the way lumber companies within his jurisdiction should be allowed to behave simply because the companies are in isolated communities and have unorganized workers in their employ?

Hon. Mr. Pope: Mr. Speaker, I share the honourable member's concern about some of these people located in his riding. I understand the issue revolves around a merger that has been proposed. Incidentally, we have received no documentation yet with respect to that procedure, but we have been advised of it.

I understand there has been discussion since the fall of 1980 with respect to the bush and

nonbush workers and their employment future. The honourable member is quite right when he says there have been some layoffs in the community. I am led to believe most of those are reflective of the general market problems now, with the high inventories building up. I do understand the company has notified the workers that as soon as the situation improves it will be going back to two shifts a day. At that point, almost all the workers will be back in.

With respect to Island Lake, which is the community of most concern to the honourable member, I believe there were indications given to some of the workers in the mill operation only—not the bush workers—that the mill would be discontinuing its operation. I understand there have been discussions since December 1980. Since the member raised this on Monday, we have been trying to obtain more information on the plans of the company and will communicate them to him and to the workers in those communities.

In addition, we will try to prevail upon the company to do as much as they can to continue to provide that accommodation for the present and former workers. I repeat, apparently there was some discussion about getting out of these residences as far back as last fall. However, if they are not going to be used and if the workers are prepared to pay for utilities and any other expenses with respect to the continued utilization of those homes, I see no reason why that situation cannot continue. I will do what I can on behalf of those workers and the honourable member to make that happen.

Mr. Laughren: Am I correct in my assumption that timber limits cannot be bought, sold or bartered in Ontario between lumber companies? If I am correct in that assumption, is the minister not concerned that this merger was simply a method of transferring or virtually selling the timber limits of Wesmak Lumber Company without Chapleau Lumber having to buy them, knowing full well that is simply not allowed? It is trafficking in timber licences. Is the minister not concerned about that? Will he look into the conditions under which that merger is occurring—I do not believe it is completed yet—and would he look into the possibility of withholding timber limits until he has assurances that the workers in those communities will be properly treated?

Hon. Mr. Pope: I will look at all those matters on behalf of the honourable member. I do not know how withholding timber limits will help

any workers who are still working there. I understand there are 55 to 60 still working there and I do not know how that would help them.

I think the problem in a share purchase program or a share purchase acquisition is that there is no transfer required, whereas if there is a purchase of assets, transfer documentation is required. The member is quite right, there is to be no value attached to the licence. Obviously, in some instances, there is goodwill allocation and it is questionable whether that is or is not related to licences. I guess that is something about which there will continue to be some controversy.

I do not know how one could prevent those kinds of allocations being made. One could do the same thing perhaps in the allocation of the depreciated value of equipment or something like that to change it. How could legislation change that? If there is an allocation of purchase price to equipment or to any of the other assets of the company, even if one does not think it is proper, how could one put himself in that position? That is the problem we have.

Mr. Stokes: I would ask the minister if he agrees with the statement that all the sawmills in Hearst and Weldwood of Canada Limited in Longlac will be forced to close down within the next five years because of a lack of sawlogs to keep those sawmills and plywood mills going. If he does not agree with that statement, can he tell me where the sawlogs are going to come from?

Hon. Mr. Pope: No, I do not agree with the statement that all the sawmills in the Hearst area will close down in the next five years. In fact, historically a number of former ministers have made great efforts to try to accommodate the mills in the Hearst area. The previous member was quite actively involved in that. I think it is true a number of smaller operations in the Hearst area are under some competitive pressure. There is no denying that. What their future holds is something about which we can only speculate. However, there is no way that every mill in that community will close down because of a lack of wood supply. I think virtually every lumberman in the Hearst area will say the wood supply company—

Mr. Stokes: Where are the sawlogs going to come from?

Hon. Mr. Pope: They already have licences, do they not?

Mr. Stokes: No, they have volume agreements.

3:10 p.m.

Hon. Mr. Pope: Right. And they are operating under third-party agreements and under direct licences.

Mr. Stokes: But it is from year to year.

Hon. Mr. Pope: Not from year to year, I am sorry. There has been a change. The renewals I have issued to most of the lumber companies in the province have been from one to two years for a number of reasons relating not to the availability of wood supply but rather to the future direction we want to take in terms of forest management agreements and arrangements with the companies so that we have more flexibility. But that is not indicative of any problem with respect to wood supply. Perhaps the honourable member is hearing some of that concern.

Historically we have looked after the Hearst operators. They have had wood supply. A lot of people in the ministry have been using third-party agreements and direct licensing in trying to accommodate their needs. We do not anticipate all the lumber mills in that community closing.

TORONTO EAST GENERAL HOSPITAL

Mr. Spensieri: Mr. Speaker, I have a question for the Minister of Health. The Toronto East General and Orthopaedic Hospital asked him in January to remedy the terrible situation in its emergency department. His own Clark report of June 1981 confirmed the overcrowding in this emergency department, and on October 21 an inquest jury again cited this same problem and called for action following the unfortunate death of the 25-year-old Claire Moses. The facts are that the emergency department still books out of service more than once a week, according to Globe and Mail reports. Given these facts, what is the minister now doing and what does the minister propose to do about the overcrowding at Toronto East General? And what further tragedies will be necessary for him finally to act?

Hon. Mr. Timbrell: Mr. Speaker, the member has to be reminded that even when an emergency department books off service it still receives and attends to life-threatening cases. The fact that an emergency department books out of service does not mean it turns away cases where a person's life is in danger. It receives them and attends to them and gives them the priority they deserve.

Also, I would remind the member that just in the last year or so we completed a major capital expansion at the Toronto East General. I would

not want anybody to be left with the impression the East General has somehow been ignored. I think the expansion, which added beds and specialty departments, came to something in the order of \$50 million. So they certainly have not been ignored.

Third, the Toronto East General has now submitted a proposal, I am told, to the health council for review and prioritization with respect to their emergency department. Depending on the availability of capital funds, I would hope to be able to give it priority in the next year or two.

Mr. Spensieri: Supplementary, Mr. Speaker: In light of the same jury's recommendations regarding paramedics, and in view of the fact that the ambulance attendant was required in this case to make a quick judgement call as to the degree of seriousness of the patient's condition, how quickly can we now expect to see the upgrading of ambulance personnel to paramedic status? It has been proved it would result in benefits to recipients of emergency health care delivery.

Hon. Mr. Timbrell: Mr. Speaker, I think within the month we should be putting the final touches on the curriculum for the advanced life-support program. This will allow us to begin to train advanced life-support personnel for the ambulance system in this province under the auspices of the Toronto Institute of Medical Technology starting in early 1982.

If the member would compare this province to any other jurisdiction in the country he would find we have the best-developed, most highly co-ordinated ambulance system of any jurisdiction in Canada. Indeed, most provinces to this day, including Quèbec, still do not have a co-ordinated, government-funded ambulance system.

QUEEN STREET MENTAL HEALTH CENTRE

Mr. McClellan: I have a new question for the same minister, Mr. Speaker. The minister will recall the brief submitted in December 1980 by a coalition that included the Medical Reform Group, the Ontario Association for the Mentally Retarded and the Canadian Mental Health Association, among other groups, expressing concern flowing out of the findings of the Alviani inquest.

I would like to ask the Minister of Health if he would review the medical files I am sending him now of a 26-year-old woman who has been a patient for chronic schizophrenia at the Queen Street Mental Health Centre since 1970. In

particular I would ask the minister to review the massive doses of medication this woman has received over a prolonged period of time, specifically Moditen, Modecate and chlorpromazine dosages, which I believe to have been in excess of the Compendium of Pharmaceuticals and Specialties' guidelines. Would the minister determine why it was necessary to maintain such high dosages of such dangerous drugs over so long a time despite the fact the patient had developed severe adverse reactions, according to my information, tardive dyskinesia, partial blindness, and measurable brain damage?

Hon. Mr. Timbrell: Mr. Speaker, I would be happy to take this information the honourable member is sending me, and to seek expert advice from my medical staff. I would point out to the member that in the thousands of cases that are under management on a daily basis in this province for whatever kind of malady—psychological or physical—physicians are called upon on a regular basis to make judgements about what is in the best interest of the patient.

With regard to the first part of the member's question, in the late spring I engaged a leading psychiatrist in the province, Dr. Heseltine, to become the executive director of mental health services in the ministry. One of the matters I specifically indicated to him, which I wanted his advice about and wanted him to look into, is the whole question of medication. There is no question that within the last 10 or 20 years the numbers and the uses for drugs have grown—literally exponentially. We are in an age when some would argue people are receiving too much medication. Others would say that because of some of these new so-called wonder drugs in the last 10 or 20 years, people can now be in the community leading relatively normal lives as opposed to being institutionalized. There are strong arguments pro and con. Certainly, I would be happy to have expert medical advice in my ministry on this.

Mr. McClellan: By way of supplementary, Mr. Speaker: There is a statement in the brief I referred to a moment ago saying they were concerned not with anomalies but with "what is according to inquest testimony standard practice at Queen Street Mental Health Centre." Would the minister table Ministry of Health guidelines that govern the use of psychoactive drugs in provincial mental health centres? Will he undertake to conduct an independent inquiry, perhaps as part of the kind of public investigation that was asked for in December 1980 by a number of parties, into the incidence of chlor-

promazine, phenothiazine, haloperidol and other such drugs being prescribed in excess of the safe level dosages recommended in the 1981 Compendium of Pharmaceuticals and Specialties in provincial mental health centres, and particularly at the Queen Street centre?

Hon. Mr. Timbrell: Mr. Speaker, the member should not forget the compendium he refers to is not, and never was intended to be, a guide for hospitals and physicians. It is produced by the Canadian Pharmaceutical Association as a guide for pharmacists, but it was never intended to be an upper limit. I had some advance knowledge the member might well ask this question. I am told that in the case of one of the drugs, the compendium refers to possible doses even three times as much as some of the levels referred to, presumably, in what the member has just sent me.

Regarding one other part of the member's question about an inquiry, we had an inquiry into mental health services that went on for some considerable time. Its members travelled around the province under the chairmanship of Dr. Abbyann Lynch of St. Michael's College. I released this report about two years ago. As a result, a number of changes have already been made, including the fact I decided to reorganize the ministry's mental health services and engage Dr. Gilbert Heseltine from the University of Western Ontario as the executive director of mental health services. I have specifically indicated to him a number of areas of interest arising out of personal concerns as well as concerns highlighted by people like the honourable member, including the question of medication.

In regard to the other part, the member has a lengthy number of Order Paper questions, included in which is the same question. I will be dealing with that as soon as I can. I would point out to the member we are not going to be able to answer all those in 24 hours. It is going to take a long time.

3:20 p.m.

BROCKVILLE PSYCHIATRIC HOSPITAL

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Health. I call the minister's attention to a letter I sent him on September 9 regarding an urgent matter of a 77-year old

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Health. I call the minister's attention to a letter I sent him on September 9 regarding an urgent matter of a 77-year old

French-speaking patient at the Brockville Psychiatric Hospital. This patient cannot speak or understand English and Brockville Psychiatric Hospital does not offer French services.

Will the minister intervene and order the transfer of this patient to Centre Elizabeth Bruyère in Ottawa, which is the only French-speaking facility where this patient could possibly be kept? If not, could he make arrangements to transfer this patient to Montreal?

Hon. Mr. Timbrell: Mr. Speaker, I have not seen the honourable member's letter. I hope it arrived. It may well be that when it arrived, in order to cut down on any delay it was sent directly to the psychiatric hospitals branch for action. I will look into the matter. I take the question as notice.

Of course, a lot will depend upon the condition of the lady in question as to whether Centre Elizabeth Bruyère in Ottawa is a secure enough facility. I do not know anything about the lady's condition or whether she needs something more secure. But we will try to ensure that whatever is in the patient's best interest is done.

Mr. Boudria: I will have a page send a copy of the letter to the minister, a letter I sent to him a considerable time ago.

On the general topic of French-language services in psychiatric hospitals, I would ask the minister to recall the report on French-language services called, *No Problem, Pas de Problème*, by Dr. Jacques Dubois. This report made several recommendations with respect to French facilities in Ontario psychiatric hospitals, especially at Brockville. Will the minister tell us if he has acted or if he intends to act on any of those recommendations?

Hon. Mr. Timbrell: Yes, Mr. Speaker, we have acted. I would be glad to send the honourable member a copy of the statement I made at the Club Richelieu in Sudbury two years ago which definitively outlined the ministry's policies with respect to the provision of health services in this country's second official language. If the member would like some specific details on Brockville, I will be glad to get those and send them to him.

GASOLINE PRICES

Mr. Samis: Mr. Speaker, I have a question for the roving Minister of Consumer and Commercial Relations. In view of the skyrocketing price of gasoline, can the minister tell the House if he is satisfied the best interests of the motoring public in Ontario are being served by the

practice of oil companies and lessees advertising only regular prices at service stations and no other major grade of fuel being sold at those service stations?

Hon. Mr. Walker: Mr. Speaker, I think it is the kind of thing that could be drawn to the attention of the federal government. It might be more appropriately registered there. On the other hand it has been traditional in the past that only one form or grade of gasoline be advertised. That has traditionally been the lowest grade.

There was a time 15 or 20 years ago, when I used to be a gas jockey, when there were only two grades. It was very easy and they simply—

Mr. Martel: You are still a jockey.

Hon. Mr. Walker: I am a man of many talents, that is all. Some of us have to know what to do at the end of a nozzle.

Mr. Smith: You stuck it to us then and you stick it to us now.

Hon. Mr. Walker: I am not going to touch that. I can say that back then it was easy to have the two grades registered because it was very simple. They were often only a few pennies apart. Now when there often are so many grades at a service station and various prices that can be attached to it, plus the fact people are still trying to figure out what litres mean, I think it is probably normal that we would only have the cost of one grade there. However, the member has raised a point and I will be glad to take a look at it.

Mr. Samis: Most new cars today use unleaded or premium grades of fuel, and the states of California, New Hampshire and New York have made it mandatory, either through legislation or the process of regulation, for service stations to advertise either on the street or with a sign on top of the gas pump. In view of this, would the minister not consider it advisable to talk to the oil companies, due to the changing nature of the automotive business, with a view to giving consumers a better break in terms of pricing and advertising?

Hon. Mr. Walker: There are still a good many vehicles in this country that make use of normal gasoline. Certainly the Chrysler cars fall into that category. It is very difficult to tell the service stations what they should be doing in their pricing patterns. It has been traditional that the lowest price has always been registered. Of course with the changes happening so frequently today, it is almost impossible to keep

track of what is happening. It seems that gas prices are being adjusted almost on a weekly basis.

ASSISTANCE TO BEEF PRODUCERS

Mr. McKessock: Mr. Speaker, I have a question for the Minister of Agriculture and Food. On Monday the minister mentioned the assistance the government gave the feedlot operator and the feeder operator. The minister knows there are three factions to the beef industry, starting with the cow-calf operation, then the feeder and then the finisher or feedlot operator. As he mentioned, the last two of these have received assistance.

Can he tell me why the cow-calf man has not received anything as yet? Does the minister feel he is not just as important as the other two factions of the beef industry? He is definitely hurting just as badly as the other two. Can the minister tell me when he is going to announce some assistance for them?

Hon. Mr. Henderson: Mr. Speaker, in response to the honourable member, I think he is fully aware of the beef program—\$40 for beef that has gone to market and \$20 for each feeder. He is aware that program is costing us approximately \$40 million.

The honourable member brings in the cow-calf program. Yes, we are well aware they have been left out of the program. The member could tell us the price of calves in Ontario. This year it looks as if it will be slightly under 75 cents a pound. He might tell me 60 cents, he might tell me 65 cents, but we find it is under 75 cents. Last year, the price was 81 or 82 cents a pound.

I think the honourable member would agree the cow-calf operators were not suffering until this year. We know two years ago the price was 90 cents and three years ago it was over \$1 a pound, but it was the beef and the stocker man who was suffering earlier this year.

The first request I had from the Ontario Cattlemen's Association was for the beef program, which we initiated and announced. They then came back to me and asked for the feeder program, which we have put into effect.

I met with the federal minister a week ago last Friday and asked him what would be the response of the government of Canada if I happened to give consideration—with no promises—to a grant to the cow-calf people. For the feeder and the beef program I based it on the 1980 cattle so that any federal money that comes through would not be deducted. He told me if a plan from Ontario should supply money

to these calves, if he had a plan in effect when they come to market, there would have to be deductions made at that stage. He pointed out to me it might be two or three years down the way but the onus would be put on the farmer.

We have the problem in Ontario that if we give money to the farmer under this program—the problem we ran up against with the sow-weaner program that was later corrected—and then have it taken away by the federal government, I think the member would have a hard job supporting that. We are still looking at the situation with this problem facing us.

3:30 p.m.

PETITION

HIGHWAY 527

Mr. Foulds: I have a petition signed by 200 residents of northwestern Ontario, and I believe it is self-explanatory.

“To the Honourable Lieutenant Governor and the Legislative Assembly of Ontario:

“We, the undersigned, beg leave to petition the parliament of Ontario as follows: that Highway 527 be considerably improved between mileage 30 and mileage 72; that the Honourable Lieutenant Governor and the Legislative Assembly give prime consideration to completing the work necessary in order to pave the remaining portion of the highway that remains unpaved. At present, the calcium chip seal and grading treatment on this stretch of highway is unsatisfactory.

“We, therefore, beg to remind the Honourable Lieutenant Governor and the Legislative Assembly that if a vehicle was in as bad condition as is this highway, the laws of this province would prevent such a vehicle from operating on the province’s highways. We therefore ask for justice in the improvement of Highway 527.”

REPORTS

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr13, An Act respecting Kleven Brothers Limited;

Bill Pr 17, An Act respecting the Society of Management Accountants of Ontario.

Your committee begs to report the following bill with certain amendments:

Bill Pr27, An Act to revive Candore Explorations Limited.

Report adopted.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Government Services be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$3,615,000; provision of accommodation program, \$62,974,000; real property program, \$8,550,000; upkeep of accommodation program, \$52,384,000; supply and services program, \$7,966,000; and communication and computer services program, \$179,000.

And resolved:

That supply in the following amounts and to defray the expenses of the Office of the Provincial Auditor be granted to Her Majesty for the fiscal year ending March 31, 1982:

Administration of the Audit Act and statutory audit programs, \$2,834,000.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Ms. Fish, on behalf of Mr. Shymko from the standing committee on social development, reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1982:

University support program, \$843,943,000; college and adult educational support program, \$399,064,000; and student affairs program, \$102,084,000.

And resolved:

That supply in the following supplementary amounts and to defray the expenses of the Ministry of Colleges and Universities be granted to Her Majesty for the fiscal year ending March 31, 1982:

College and adult education support program, \$4,550,000.

INTRODUCTION OF BILLS

CITY OF MISSISSAUGA ACT

Mrs. Scrivener moved, on behalf of Mr. Kennedy, seconded by Mr. Watson, first reading of Bill Pr28, An Act respecting the City of Mississauga.

Motion agreed to.

BURFORD LIONS' CLUB ACT

Mr. Ruston moved, on behalf of Mr. Nixon, seconded by Mr. McKessock, first reading of Bill Pr15, An Act to revive the Burford Lions' Club.

Motion agreed to.

HOMES FOR ABUSED SPOUSES ACT

Mr. Peterson moved, seconded by Mr. Mancini, first reading of Bill 152, Homes for Abused Spouses Act.

Motion agreed to.

Mr. Peterson: Mr. Speaker, this is a bill to provide for the ongoing funding and establishment of interval and transition houses for abused spouses. It would apply a \$15 surcharge on every marriage licence inside the province of Ontario.

Last year there were about 67,000 marriages in the province of Ontario; so this would provide about \$1 million that would go directly to an apparatus set up under this bill to provide establishment and ongoing funding for homes for abused spouses.

Members will be aware that a number of these houses in this province are in very serious financial trouble. This, of course, is not the total solution to their funding problems, but it would provide a steady and ongoing source of funds. I think it is a most reasonable proposition—in fact, quite a modest proposal—to assist in guaranteeing some continuity.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I would just like to indicate to the House that there is a slight change from what is printed on the Order Paper for 8 o'clock this evening. The thirty-fifth order, which is the adjourned debate on the motion for adoption of the first report of the standing committee on regulations and other statutory instruments, will be called before the thirty-fourth order.

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

ASSISTANCE TO FARMERS

Mr. G. I. Miller moved resolution 9:

That, in the opinion of this House, the government recognize that economic pressures are forcing many farmers in this province out of the agriculture industry and that the government take immediate steps to set up short- and long-term financial programs so that the agri-

culture industry will grow and prosper and compete equitably with agricultural financial assistance programs in other provinces and give our young farmers an opportunity to get back to farming.

3:40 p.m.

Mr. G. I. Miller: Mr. Speaker, it is a pleasure for me to be able to bring forward this resolution and encourage this government to play a stronger role in the welfare of our agricultural industry, the most important industry we have. It is important not only to rural people but to urban people too, because they provide jobs through the industries. I think Massey-Ferguson Limited is a good example; when it closed down, it showed how it can affect an urban area. We want to make those points clearly today.

I am sure every member of this House is well aware of the seriousness of the financial difficulties that are forcing many farmers in Ontario to abandon the agricultural industry. If there is to be any hope at all that the deterioration of an industry that has been the backbone of Ontario for generations will be arrested, governments at every level must take immediate steps to set up programs to assist farmers in this time of crisis. The prosperity and competitiveness of our agricultural industry are essential to the future of this province.

I realize that all segments of Ontario society are feeling the impact of current inflation and high interest rates. Nevertheless, although private individuals and the business community in general are experiencing serious difficulties at this time, we must all be particularly concerned about Ontario's agricultural industry. There can be little question that a thriving agricultural industry is vitally important not only to the health of our economy but also to the health of our people, for, whatever else may change, quality food will always be a necessity of life.

Many of our farmers find their very livelihood threatened by the high interest rates that apply at present. These interest rates, combined with the rising price of farm equipment, fuel and other operational costs, are making farming a very risky occupation indeed. The task force that is going around the province was in Ancaster on Monday of this week, and I might indicate that there were 19 presentations, all pointing out the dire straits that many farmers and machinery dealers are in.

A recent report, *The Future of the Family Farm in Ontario*, found that the main area of concern to farmers was the high cost of production. In fact, 90 per cent of the farmers surveyed

expressed this as their main concern, and the report concluded that the low financial return from farming was a major threat to the future of the family farm in this province. I might point out too that corn, which was selling for \$4 a bushel, is now down as low as \$2.80, and that is going to be another tremendous burden on the farmers now harvesting this year's crop.

For a very long time now farmers have struggled to gain economic and social stability, and many farmers have obtained income security only upon retirement after they have sold their holdings. Economic pressures have forced literally thousands of farmers to leave farming, and many thousands more have had to supplement their farm income with off-farm employment, at least on a part-time basis.

Income stability is more important today than ever before because of price uncertainty. Farmers cannot be expected to continue to invest in new machinery, buy more land and sustain all the other production costs in an effort to increase production unless and until they receive some guarantee and assurance that increased production will not lead to short-term surpluses, which ruin prices and force them into bankruptcy.

The fact that the future of the family farm is in jeopardy is dramatically underlined by recent figures on farm bankruptcies in this province. In 1979, Ontario had some 64 bankruptcies out of Canada's total of 124. By 1980, the figure for Ontario had jumped to 122 out of a total of 220 in Canada.

Only the other night in the Ministry of Agriculture and Food estimates the deputy minister indicated that you can multiply those bankruptcies by 10 and perhaps be fairly close to the numbers who are abandoning their farms or leaving farming. That indicates the multiplying effect it has.

It is interesting, and depressing, to compare bankruptcy figures for Ontario with those of Quebec. That province had 43 bankruptcies in 1980, compared with Ontario's 122. Between January and September of 1981, Ontario had 112 bankruptcies, compared with 35 in Quebec.

While the situation with respect to bankruptcies is very serious, it tells only part of the story, of course. It does not give any indication of the number of farmers who are struggling to avoid going under or who have been forced to sell rather than lose their farm income with off-farm employment, at least on a part-time basis.

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ers cannot be expected to continue to invest in new machinery, buy more land and sustain all the other production costs in an effort to increase production unless and until they receive some guarantee and assurance that increased production will not lead to short-term surpluses, which ruin prices and force them into bankruptcy.

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While the situation with respect to bankruptcies is very serious, it tells only part of the story, of course. It does not give any indication of the number of farmers who are struggling to avoid going under or who have been forced to sell rather than lose everything they own in their vain battle against forces beyond their control.

The strange fact is that real growth in Ontario's agricultural industry has increased more rapidly than has been the case in other Canadian provinces. However, while more money passes through the hands of our farmers, less stays with them in the form of net income.

Recently, the Ontario Federation of Agriculture presented its annual brief to the Premier (Mr. Davis) and cabinet. In this brief the federation stated that it has been aware for some time that the government of Quebec provides farmers with a more varied and generous financial support program than that provided to the farmers of Ontario.

We are not trying to compete with Quebec; we would just like to be equal. We are not saying Quebec farmers should not have those programs; we are just saying we have to recognize the needs of Ontario farmers in our agricultural industry.

The brief continued:

"In Ontario, we have the natural advantage of better soil and climate. Ontario farmers are as well, if not better, trained and skilled in their craft as Quebec farmers. The question then arises, why in 1980 did Quebec farmers have an increase in realized net income of approximately 2.3 per cent, while Ontario farmers had a decrease in realized net income of 23 per cent?"

Before I continue with the comparison of the situation of the Ontario farmers and their fellows in Quebec, I want to point out that Ontario is the only province in Canada, other than Prince Edward Island, without some kind of interest subsidy program—and even Prince Edward Island provides grants to its farmers.

However, the direct contrast between this province and Quebec is particularly dramatic. Little wonder that Ontario farmers are envious of their counterparts in Quebec who have access to a generous provincial farm loan program. The interest rates on Quebec farm loans are determined by government regulation. However, the rates are attractive to lending institutions in much the same way as the interest subsidies are attractive to farmers of the province.

Under the Quebec program, interest subsidies are primarily concentrated on long-term financing in the form of mortgage loans and chattel mortgages. Under the scheme, farmers are able to borrow up to \$250,000 as individuals and \$450,000 as groups, for a period of 15 to 20 years. Interest rates on these long-term loans fluctuate, and they are set twice a year at the prevailing prime rate plus one half per cent.

However, subsidies are sent to farmers which reduce the rate of interest on the first \$15,000 to 2.5 per cent a year. On the next \$135,000 of the long-term loan to the individual farmer and on the next \$185,000 of a loan to a group, subsidies reduce the interest rate to something like eight per cent annually. In this way, individual farmers can borrow up to \$150,000 at a comparatively low interest rate, while groups of farmers can borrow up to \$200,000 at low rates, although they must pay the prime rate plus one half per cent on the balance of the loan.

Quebec farmers who have mortgages from the federal Farm Credit Corporation can receive provincial subsidies which reduce the interest rate on the first \$15,000 of such federal loans to 2.5 per cent annually.

Ontario's Treasurer (Mr. F. S. Miller) has himself admitted to the Ontario Federation of Agriculture that Quebec has a richer farm support program than this province. I think we

have pointed that out to him many times. He stated, however, that one important reason is that Quebec receives \$1.8 billion in federal equalization payments, while Ontario has to pay out \$1.5 billion.

My colleague the member for Huron-Middlesex (Mr. Riddell) has already raised this matter in the House and has questioned the Treasurer's figures. It is his understanding that figures on federal agricultural expenditures show that, in 1979-80, Ontario received \$263 million, compared with Quebec's \$200.5 million, and that, according to a federal survey of all provinces for the 1980-81 fiscal year, Ontario received the greatest amount of federal agricultural dollars, \$335.8 million, compared with Quebec's \$210.6 million. However, on the provincial level, Ontario agriculture received \$182 million, while Quebec's agriculture received \$367 million.

3:50 p.m.

It is interesting to compare provincial expenditures on agriculture as a segment of the total provincial budget. In Ontario, in 1980-81, expenditures on agriculture were forecast at \$184 million, or one per cent of the total budgetary expenditures of \$16.8 billion. In Quebec, the agricultural budget was \$370 million, or 1.84 per cent of its total budget expenditures.

One can see they take agriculture seriously in Quebec, while in Ontario I do not think they are really too concerned; they leave it to so-called free enterprise.

Often, when times are difficult, it is possible for farmers to survive through a crisis by working a little harder or by improving their operating techniques or equipment in some way. However, inflation and current high interest rates have produced a situation in which our most effective and efficient farmers, those people who have tried the hardest and who have been willing to undertake the necessary investment risks to increase their production and productivity, are the people who are most seriously threatened, because the burden of their loan payments has become overwhelming as a result of interest rates that hover above the 20 per cent level.

Farmers have done their very best to follow the advice of the provincial government and the banks. Those who have tried to improve their farming operations by following the most up-to-date methods of cultivation and farm management find themselves on the brink of bankruptcy as their operating costs outstrip farm cash receipts.

In other words, Ontario's best and most productive farmers, those who have tried their utmost to improve their operations, are suffering greater hardships than less efficient or less ambitious farmers who have smaller debts, less training and more flexibility in their production choices.

Unless something is done, and done quickly, to change present trends, we may find ourselves with an agricultural industry that is in the hands of less efficient farmers as our most up-to-date and efficient farmers leave the business, to be replaced by small-scale, labour-intensive agricultural operations. If that happens, inevitably food prices will rise and quite possibly food quality will suffer.

I brought this resolution forward because of my concern for Ontario's agricultural industry in general and my desire to represent to the best of my ability the riding of Haldimand-Norfolk in particular. Agriculture is very important to my riding. More than 90 per cent of the South Cayuga area, for example, is prime agricultural land. Heat units in the region are the second highest in Canada.

The members may be interested to know that, since the first historical records, the township of South Cayuga has been recognized for its agricultural potential. While the township contains only about 13,500 acres of land, its soil for centuries has been renowned for its richness.

I believe it is absolutely essential that we strengthen our rural communities by preserving our prime agricultural land, keeping it in production and making every effort to encourage our young people to remain in the smaller communities rather than gravitating to the large urban areas. This cannot be done unless governments recognize and attempt to deal with the basic reasons why our agricultural land is going out of production at such an alarming rate. That is why I have proposed this resolution.

I am calling upon the government to recognize the economic pressures that are forcing many farmers in this province out of the agricultural industry, and urging the government to take immediate steps to set up short-and long-term financial programs so that the agricultural industry will grow and prosper and compete equitably with agricultural financial assistance programs in other provinces.

I might add that across the border in the United States, I understand that money is made available to many areas in the area of nine per cent; and they have good agricultural programs. This is what we are competing with.

We must give our young farmers an opportunity to get back into farming. I might point out to the Minister of Agriculture and Food (Mr. Henderson) that I suppose the average age of farmers in Ontario would be well into the fifties. Our young farmers who are graduating from agricultural schools want an opportunity to get their hands on operating farms. We should be encouraging that so we can provide employment for our young people and give them a share of the action in Ontario.

While such a resolution may appear to deal only with the needs of one sector of society, surely everyone will realize that any measures that will assist the agricultural industry in a meaningful way inevitably also would have a beneficial effect on the consumer market. Obviously, if the agriculture industry of the province is maintained at a successful level, more food will be produced for the domestic market, which will reduce the necessity of importing food supplies on a large scale.

I might point out that we import more than we export, and that is the wrong direction for us to be going, particularly in a part of Canada where we have so much potential. For those reasons, we are trying to encourage the government to be more generous and to assist an industry which would be so beneficial to everybody in Ontario and Canada.

How much time do I have left?

The Acting Speaker (Mr. Cousens): You have four minutes remaining.

Mr. G. I. Miller: I would like to reserve that for summing up.

Mr. MacDonald: Mr. Speaker, the objective and the content of this resolution are worthy of support, and we shall support them. The timing of its coming forward for debate in the House is a little unfortunate in that we have just been thrashing through this very issue for hours in the estimates. However, it may be useful that we should focus on it once again here, because I have had no impression that we have really broken through the insensitivity and the lethargy of the government in a way that would cause them to come forward with some sort of a program. With the minister and the distinguished graduate from the University of Guelph, that expert in agriculture at his side, listening, perhaps the two of them will be able to focus in and get some action.

Ralph Barrie, the president of the Ontario Federation of Agriculture, has pointed out that in every year during the last decade there have

been about 1,000 farmers who have left agriculture in the province. He and some others have engaged in speculation as to what is likely to be the figure of people leaving agriculture today in view of the problems. Figures as high as 5,000 have been cited. I suppose nobody will know until we get through this period and we have some actual statistics, but there is no doubt that it is serious.

Usually, as the honourable member who has just taken his seat has done, we point to bankruptcy as being the indication of the problem the farmers face. For a moment I want to indicate how, while bankruptcies may be the tip of the iceberg, this really gives no indication of the measure of the crisis out there.

As has been pointed out, there were some 122 bankruptcies in Ontario throughout 1980. It is up another 19 per cent so far this year. Farm bankruptcies grew by 90 per cent in 1980 and another 19 per cent this year.

However, the point we have to take note of, again as Ralph Barrie has pointed out, is that for every farmer who is bankrupt, there may be 10 farmers who have held a forced sale to get whatever reasonable return they can on their equity before it totally disappears. People who are more knowledgeable on a daily basis than myself of the exact situation in the rural areas tell me that there are maybe another 10 farmers who are resisting holding a forced sale because of the fact that prices today are low and if they sell now they are not going to get a "reasonable return on their equity" before they get out of the industry.

There is another aspect of it. We all start this calculation with the bankruptcy figures, and then we multiply it by the number of people who are holding forced sales, or resisting forced sales and hanging on by the skin of their teeth, so to speak. But there is another aspect of it which I was not aware of until a few days ago when we discussed it in the estimates. That is, these figures on bankruptcies are again only a tip of the iceberg of those who have gone into receivership.

These statistics from Statistics Canada are statistics of farm bankruptcies only in those instances where they have been taken into court. My information is that there are an even greater number, how much greater I do not know, of what one might call privately arranged receiverships that do not get recorded but that are tantamount to a farmer getting out, bailing out with whatever he can get out of his remaining equity.

4 p.m.

In short, it is a very serious situation. The more I try to wrestle with what might be the solutions to this situation, the more I am puzzled by the difficulty in coming to grips with just how great the proportions of the crisis are. We have endless arguments going on these days between the spokesmen for the farm circles on one hand and the spokesmen, for example, of the banks on the other hand and the government tending to chime in with them. The farmers say it is very serious, and the others say only one per cent of the farmers really have a problem.

That brings me to this independent survey, which is at a verbal stage; and, as I quipped the other day, a verbal report on an independent survey is not worth the paper it is written on. What has happened, so we have discovered, is that the minister—and this really must be a spectacle to see—is in dialogue with the Minister of Agriculture from Ottawa. Just imagine the two of them sitting down and airing a dialogue on the problems of agriculture.

The two ministers had a dialogue a week or so ago. Out of it there came, apparently, the need to impress upon Gene Whelan that there is a serious problem. He does not happen to have the facts himself; so the minister instructed his deputy, who is a hard-hitting, knock-heads-together gentleman, and this man is now surveying the banks and the liquidation companies to find out exactly how bad the situation is. He has come up with a verbal report to the minister, and the minister has passed it on to us, suggesting there are no more than about 950 farmers in trouble.

Hon. Mr. Henderson: One per cent.

Mr. MacDonald: One per cent. Okay; 950 is roughly one per cent of the number of farmers who are in trouble, which is roughly 10 times those who happen to be in bankruptcy. I do not know how long this independent survey will go on. I am not sure what will come out of it. From what we have heard so far, the minister has come to the tentative conclusion, and I suspect it will be the definitive conclusion, that the proportions of the problem are not very great: only one per cent of the farmers are in trouble.

However—and this is the amazing thing about it—even if he came up with the evidence that it was a serious problem, that is not why he is seeking the evidence. He is seeking the evidence, not to get action here in Ontario, heaven help us, but to put a little heat under Gene Whelan to take action up in Ottawa. In other words, he is, once again, trying to get the feds to do the job.

I agree with the minister that, as far as interest rates are concerned, the problem originates in Ottawa. So when we agree on it, let us not continue to repeat this ad nauseam. But what I follow through with and insist on is that, if that problem is creating serious difficulties for Ontario farmers, there is an obligation on the Minister of Agriculture and Food and the government, which was willing to do a lot of things when it was seeking the farmers' votes, to go out and at least ease the pain somewhat. That is what it is not doing.

As has been pointed out by the member for Haldimand-Norfolk (Mr. G. I. Miller), Ontario is the only province, other than Prince Edward Island, that provides no subsidies on the burdensome level of interest rates today. In Prince Edward Island, they have grants instead of subsidies; so Ontario is the only province that is doing virtually nothing in this field—in fact, let me take out the word “virtually” and say it is doing nothing in this field.

Mr. Pollock: We spent \$45 million on beef supplement.

Mr. MacDonald: I am talking about subsidies on interest rates. The member should wake up at the right time after he has heard what I said. There is nothing on subsidies on interest rates. The net effect of this—and one can argue on the details and get buried in the details; this is again something I put into the estimates—

Interjections.

Mr. MacDonald: Is somebody disturbed over there? There are so few of them over there to get disturbed. They will have to magnify their disturbance to make any impact anywhere.

However, the point I want to draw to members' attention is not only what the government is not doing now, it is what the government has not done for years. It is magnificently illustrated in the statistics from Farm Credit in the Canadian Financial System, a document of relatively recent date put out by the Farm Credit Corporation. I have forgotten the exact date; I suppose if I took the time I could find it. It is another glossy publication.

The Acting Speaker: One minute.

Mr. MacDonald: This is the clincher to show how this government has done nothing. They have been offered a lot of programs by the Ontario Federation of Agriculture. They have done nothing in the past; they have done nothing now.

Here is the situation—and I will take two or three provinces to illustrate my point: The

amount of outstanding credit to farmers in Quebec is \$891 million, for an average of \$17,312 per farm in outstanding credit extended by the province; in Nova Scotia there is \$68 million outstanding from the provincial government, for an average of \$11,724 per farm; in New Brunswick there is \$34 million out in credit, for an average of \$9,189. And so it goes, province after province. I do not have time to give them all to the members, but let me give Ontario's.

The Acting Speaker: Honourable member, your time has expired.

Mr. MacDonald: Thirty seconds, Mr. Speaker.

The Acting Speaker: I gave you notice.

Mr. MacDonald: May I finish my sentence?

The Acting Speaker: No, you may not. I gave you one minute. One sentence can go on.

Mr. MacDonald: No, it will not go on.

One thousand one hundred and ninety-nine dollars as compared to \$17,000—that is Ontario.

Thank you, Mr. Speaker. You are a bit of a tyrant, but I respect you.

Mr. Watson: Thank you, Mr. Speaker. I am pleased to have the opportunity to speak to this resolution presented by the member for Haldimand-Norfolk (Mr. G. I. Miller). I do not know whether he is very clever or why he worded the resolution the way he did, but he did leave the gate wide open. I realize when he refers to the government in the subject of the resolution he must be referring to the government of Canada. Most of the things he describes in there are certainly the responsibility of the government of Canada, and I think perhaps he realizes it.

Interjections.

Mr. Watson: It is the Liberal government in Ottawa that is responsible for the economic conditions we have.

Mr. G. I. Miller: A typical government response.

Mr. Watson: The member for Haldimand-Norfolk moved that “the government recognize”—and I know when he got up he started to say the government of Ontario. I do not know whether he says that when he goes home or not, but certainly most of the subjects included here concern the government in Ottawa, as I will outline.

Let us look at the national economy, which the member's federal friends have given us. We have chronic inflation and high interest rates right across the country.

It seems years and years ago, but really it was less than five years ago, in 1977, that the prime rate in the country was just over eight per cent. I think members will agree it was nearly three times that 1977 rate this summer. There might have been a small excuse for these rates had we succeeded in bringing down the inflation rate but they did no such thing. Inflation has just kept going hand in hand with interest rates: eight per cent in 1977, 10 per cent last year, heading for what? Thirteen per cent next year? It is anybody's guess.

Interjections.

Mr. Watson: On second thought, we have one thing to be thankful for: inflation has not kept pace with interest rates or we would be looking at more than 20 per cent inflation.

Interjections.

The Acting Speaker: Order.

Mr. Watson: Mr. Speaker, I am having problems with the interjections.

I think the only way we are going to get a handle on things in this province—and not only agriculture—is through fiscal restraint. We have been practising it for some time, and I would say it has been working in this province. As a percentage of the gross provincial product, the provincial deficit is going down. It was 2.2 per cent in 1977 and it is 0.8 per cent now. By comparison, the federal debt represented 4.4 per cent of the gross national product in 1977 and it is still at that level. Again, I suppose we can be thankful for small mercies, that it has not gone up, at least in percentage of the GNP; as a lump sum it is certainly going up.

4:10 p.m.

If we compare the deficit to revenues, which is what most people have to do, in Ontario the deficit is just under nine per cent of provincial revenues. At the federal level, it is a whopping \$13 billion deficit and that is more than 25 per cent of revenues. No wonder they do not have any money for the Farm Credit Corporation. They are up to their necks supporting the national debt. Perhaps I should say they are up to our necks supporting the national debt.

I would like to remind this House of some of the points the Premier (Mr. Davis) made at the Premiers' conference last August. He said, and I am paraphrasing, anti-inflation strategy must promote employment and economic growth by increasing productivity. We cannot indulge in a short-run strategy using increased unemployment which will result in reduced investment or reduced agricultural output. It will only make

matters worse in the long run. He also said the fight against inflation must not be borne by the unlucky few. From the direction things have taken since then, I do not think the federal people have been listening; I do not think they heard a word in Ottawa.

I would like to take a minute here to say a few words about some of these other provincial programs that have been mentioned. If we look behind the hype, some interesting facts start to emerge. Just before the last provincial election in Quebec, for example, a whole lot of glossy stuff was printed about the agricultural programs. Now the election is over and that capital program is out of funds. The 21 cents per foot for drainage is no more. In fact, in Quebec one will find they are getting out of the loan business and going the same route that Ontario has been using for some time—that is, the interest subsidies like those for the drainage program, loan guarantees and other programs.

As a former agricultural representative in this province I can tell this House that programs like that worked and are acceptable to the farmers of this province. They are not straight giveaways, but farmers really do not want straight giveaways anyway. They have only put a floor under farmers at critical moments. The fact remains that over the long term it is the federal government that has to fix the economy. No province, not even Alberta, can keep defending its economy against the fiscal antics of the federal Liberals.

I think all of us in this House have certain sympathies with the content of the resolution presented by the member for Haldimand-Norfolk. We in the government recognize there are economic pressures. I am kind of pleased the member did not state which government, because it is certainly the government of Canada that the member should send this off to. It is they who have to pay attention to the subject presented.

Mr. Ruston: You should be ashamed that you got up and made remarks like that. I am glad you have left. The people of Kent county must be very happy.

The Acting Speaker: Order. The member for Huron-Middlesex has the floor.

Mr. Ruston: You ought to be ashamed of yourself. I will send your speech back to Kent county.

The Acting Speaker: Order.

Mr. Riddell: Mr. Speaker, I am more than a little disturbed that the minister and the parlia-

mentary assistant sat and carried on a private conversation during the last three speeches that have been made on this most important resolution.

Then I listened to the last speaker and I simply cannot believe he would make some of the comments he made. He obviously does not take very seriously the crisis situation in Ontario in the farming industry. If it is entirely under federal jurisdiction I would like him to tell why there are very few farmers in the other provinces who have gone bankrupt compared with the number in Ontario. Why are the farmers in the other provinces not going bankrupt? If he can answer that question he had better stand up and take back some of the things he just said.

Mr. Speaker, I went into Hanover yesterday morning to present a brief to the task force established by the Ontario Federation of Agriculture to look into the crisis situation we have here in Ontario in the farming industry. I sat the whole day listening to briefs presented by county federations of agriculture, by cattle-men's associations, by the Ontario Retail Farm Equipment Dealer's Association and by realtors. It would astound one to hear the sad story they had to tell yesterday.

When the committee asked a county federation what percentage of farmers they felt had gone bankrupt or were forced to sell before they went bankrupt, they said 20 per cent and they said that was a conservative estimate.

Then a realtor informed the committee he would venture the guess the figure was closer to 40 per cent. He said: "I will give you an example. I handle real estate in part of Grey, Bruce and Huron counties. I have 10,000 acres listed now. I could pick up another 10,000 acres at the snap of my fingers. I would dearly love it if the committee would jump in the car and come with me. I will take them for a drive between Chesley and Paisley, an eight-mile stretch of road, and show them 2,000 acres of land with a for-sale sign at every gate and no buyers."

If this is under federal jurisdiction, why is it we are not getting that same kind of report from every other province? It is because every other province has taken the responsibility to see its farming industry remains viable. They have all implemented low interest relief programs for their farmers because they realize the importance of the farming industry in their provinces. Why does this government not realize the importance of the farming industry? Do they realize that Ontario's agriculture is worth about \$4.4 billion annually?

About one third of Canada's agricultural output comes from Ontario. The value added in this province by Ontario farmers is greater than any other primary industry, including mining, and ahead of any single manufacturing industry. Twenty per cent of our population work with jobs connected with the food and the agricultural industry. Agriculture ranks as the top primary goods producing industry in this province.

When we consider that only four per cent of our people are farmers we see how tremendous a contribution they make. Believe me, they have made it with very little government help in this province. Now they need assistance similar to that for other industries such as the auto industry and the pulp and paper industry. One can name them—any industries the government has endeavoured to help. But when it comes to the farming industry they turn their backs and are not prepared to give any assistance.

Let me share with the members a brief that was presented to that task force yesterday by the Huron County Federation of Agriculture which is very much in line with practically every other brief that was submitted before that task force:

"This task force could very well be providing farmers a last chance to state publicly and peaceably the desperate economic crisis we are facing. Now that this task force has been under way for a couple of weeks, you are no doubt hearing similar concerns expressed by farmers and agriculturally related industries from different areas and producing a variety of farm products.

"We hope that if enough people express the same concerns often enough, politicians will finally get the message and act. High interest rates, high input costs and low commodity prices are killing us. What a mass of contradictions our governments are. Our Premier can afford \$10 million for a private jet. The auto industry has received hundreds of millions of dollars in interest relief and direct grants. Farm equipment manufacturers receive huge grants. Millions can be spent to purchase oil companies. Yet we are told there is no money available to aid agriculture, the major industry.

4:20 p.m.

"Many farmers are in their present financial circumstances because they modernized, enlarged and consolidated their farming operations. They were encouraged to do so by the advice of the Ontario Ministry of Agriculture and Food, the lending institutions and the teaching institu-

tions. All quarters have been encouraging farmers to become more efficient and have equated efficiency with getting bigger and having more sophisticated equipment. This costs money. What was feasible at eight or 10 per cent interest is no longer feasible at 20 to 25 per cent, and previous commitments cannot be erased.

"Whatever ideas politicians may have for dealing with matters other than the economy is not our prime concern. We must have an immediate lowering of interest rates. Both governments share a responsibility for this problem. Other provincial governments have offered lower interest rate programs for farmers. There is no reason Ontario cannot provide a comparable program.

"The equalization payment program offered by the federal government should be accepted by Ontario. No excuses offered by the provincial government for not offering similar agricultural economic programs to farmers, comparable to other provinces, are acceptable.

"The federal government is responsible for setting the interest rates and providing an overall economic policy for the country. When its policy is having such an adverse effect on such a vital part of this country's economy, it is its responsibility to provide relief. Both governments have shown a callous lack of concern and commitment to the agricultural industry.

"All types of farming are being hit by the present high interest rates, not only those with no marketing boards or marketing boards with no price-setting powers, but farmers working with agency-powered marketing boards are feeling the crunch. It has just taken a bit longer to hit.

"Many talk of young farmers being hard hit. Think further. What about those with 15 to 25 years and longer invested in time, labour and money in their farms? They are being forced to borrow against their equity to survive. Imagine you were an urban dweller going to work but receiving no wages and being forced to borrow against your pension plan, home and other assets to cover your living expenses with every sign pointing to the fact you would lose all. This is the situation farmers are in.

"In light of the present economic situation, we cannot recommend that anyone enter this business of farming. We must have immediate and long-term commitments to agriculture from both provincial and federal governments.

"The marketplace must return the cost of production plus a reasonable profit. We must

have a commitment from government that it regards agriculture as an important industry. We must have a long-term credit program with a massive infusion of capital to refinance the federal farm agencies, and this capital must be available to agriculture at not over 12 per cent interest.

"An Ontario government program should be started which would encompass such things as tile drainage loans, startup programs for beginning farmers or interest programs for farmers similar to those of the other provinces. The present economic situation does not allow Ontario residents to purchase farm land or to farm it."

I will not go on. There is a little more here, but they did end their brief with big bold letters at the bottom, "No action, no farmers, no food." I think that is something the government had better start thinking about over there. It is going to answer to its consumers if they have to pay more money for their food because of the shortage of supply here in Ontario.

Mr. Laughren: Mr. Speaker, I am pleased to speak on this resolution put by the member for Haldimand-Norfolk, particularly because I spent my early years as a farm boy in the very riding represented by the member. For those who think I only know about growing vegetables underground, I should say that I spent the first 18 years of my life on a farm and I often hark back to those days.

I will continue with some of the points my colleague was trying to make before he was summarily dismissed from the debate and told to sit down.

I noticed when I read the resolution—I read it several times before I dared get up and speak—there is absolutely no mention of interest rates. I thought: "Is the member trying to get the message across here that interest rates are the problem without saying they are the problem? If that is the case, why would he not want to talk about interest rates in the wording of the resolution?"

I did not know what the reason was and I did not want to make any scurrilous assumptions about the member, who represents my former home. I could not help but think, though, that just maybe the member was a little worried about expressing dismay at the policies of his federal counterparts in Ottawa. I know the member for Haldimand-Norfolk is not suggesting only interest rate problems face the farmers today. There are many others as well.

In his resolution he makes two basic points:

first, that economic pressures are forcing farmers out of agriculture, and second, that the government should set up both short-term and long-term programs in order to allow our farmers to compete with farmers in other jurisdictions. That is the meat of his resolution. When the member for Haldimand-Norfolk first said the present system is going to force the efficient farmers out of business and leave the inefficient ones in farming I thought he had made a mistake until I started to think about it.

I assume what he means is that the efficient farmers are the ones with a lot of equipment, perhaps a lot of buildings, high mortgages and high total borrowing such as mortgages. Those tend to be the efficient farmers in the province. If that is what he means, and I think it is, then I suspect he is right. Those very efficient farmers will be driven out of business and we will not have as efficient a sector in the province as we should have.

Like a lot of people, when I think of the farming sector I think of the small farmer, the family farm. Many years ago economists used to debate about whether farming should be free enterprise or whether there should be more government involvement and to what extent the actions of one farmer benefit himself but overall will lead to problems. For example, that is why they set up marketing boards—to protect farmers as a whole from oversupply. However, if one farmer could break the marketing boards that farmer would be better off because of the amount that farm will produce.

It seems to me the cultural values and lifestyles that exist on small farms are worth retaining. They make up a valuable part of the rural mosaic in Ontario. We do not want to lose that. I think that is terribly important, not just for Ontario but for Canada as a whole. If we are going to retain that we have to encourage farmers to go to agricultural colleges, to come back to the farm and encourage young farmers to start new farms, to buy the farms of those who are retiring. That is not going to happen if the present policies continue. I suspect the member who put this resolution would agree it is a double-barrelled responsibility between the federal and provincial governments.

I know the alternative to all those small family farms out there is agribusiness. When we have that degree of vertical integration by the large food chains it does not serve any of us well. The

consumer will not be better off, the farmers themselves will not be better off and that is what will be left.

Mr. McNeil: Where is the member for Huron-Middlesex (Mr. Riddell)?

Mr. Laughren: More to the point, where is the Minister of Agriculture and Food (Mr. Henderson)? He should be here listening to these pearls of wisdom.

I suspect there are a number of ways we can measure the commitment of a government to the farming community. One way a government can show its interest and commitment to the farming community is the extent to which the processing of food grown by farmers takes place in Ontario. That is where this government is very sadly lacking. I agree with the thrust of the member's resolution but it does not go nearly far enough. If one is talking about a long-term strategy, one of the biggest failures of this government is its failure to ensure that less and less of our processed food is imported, primarily from the United States.

4:30 p.m.

I am not talking about the tropical fruits we cannot grow in this province; I am talking about processed foods we can grow and process in Ontario. It is not being done. That is a long-run failure of this government. It simply has no strategy.

When I think about the processing of food I think how farmers would be better off with that bigger market for their produce and I think how consumers would be much better off. Quite frankly, when we are at the mercy of foreign exporters who export to Canada we do not have control of our food sector. It is no accident the cost of food in this country is one of the major contributors to the high rate of inflation we now have. So the government has failed miserably when it comes to planning and strategy for the processing of food. That is simply not fair.

Another measurement of the degree of commitment the government has to the farming community is the amount of credit it extends to the farmers. According to the Farm Credit Corporation in an article entitled *Farm Credit in the Canadian Financial System*—and the latest figures we have are to March 31, 1980—this was the kind of commitment this province has compared with other provinces.

There were 85,800 farms in Ontario at that point and the amount of provincial government credit per farm was \$1,199. In British Columbia, with 20,800 farms, there was \$1,317 per farm

extended in government credit. That was more than Ontario. In Saskatchewan, with 69,200 farms, the amount of government credit was \$1,949 per farm; one and a half times that of Ontario. Prince Edward Island, 3,100 farms, the amount of government credit per farm is \$2,580; roughly twice that of Ontario. In Manitoba, with 29,300 farms, the amount of government credit per farm was \$3,072; two and a half times the amount of credit per farm in Ontario.

Mr. Watson: How many farms?

Mr. Laughren: I am giving you the number of farms in each province; listen.

In Alberta, 58,500 farms, the amount of government credit per farm was \$6,140. That is three times that of Ontario, and a significant number of farms. In New Brunswick, 3,700 farms, it was \$9,189 per farm. That is four times the level of Ontario. In Nova Scotia, with 5,800 farms, the amount of credit was \$11,724 per farm. That is six times the Ontario level.

In Quebec, 51,500 farms, it was \$17,312 government credit per farm. That was eight times the level this government has seen fit to extend to the farmers of Ontario. That is no commitment at all. They have abandoned the very people who have looked to this government for support and given this government a lot of support over the years. They have betrayed them. As I sit down, I must say it is time that both levels of government reassess their commitment to agriculture in this country.

Mr. Sheppard: Mr. Speaker, I am glad to rise to speak to this resolution. I met the member for Haldimand-Norfolk through my son, but after March 19 he moved to Tillsonburg.

The member for Haldimand-Norfolk is absolutely right. The government should recognize that economic pressures are giving farmers a hard time, and not only farmers. Of course, I presume the member meant the federal government. The national economy is the responsibility of the federal government.

I should like to point out something else he may have overlooked. The federal government is a Liberal government. I realize the concept of a Liberal government may be a little difficult for a Liberal member of this House to comprehend, but there is a Liberal government in Ottawa. That is the government that should be doing something about the economic climate.

My colleague the Minister of Agriculture and Food said the federal Minister of Agriculture, Mr. Whelan, acknowledged the fact only two weeks ago at a meeting here in Toronto.

It is a well-understood fact that farm credit is the responsibility of the federal government. We made an agreement with the federal government in 1969 to withdraw from that area on the grounds it was their job and they would do it. By and large, we have kept that agreement. We have to give the federal government the opportunity to fulfil its national obligation. I realize we quite often have to remind them forcefully of just what those obligations are. In the case of farm credit, they need a lot of reminding.

They set up the Farm Credit Corporation to handle farm credit and they have let it go underfunded while its interest rates soar. They are doing a lousy job of fulfilling their national obligations right now. Four or five years ago, the FCC provided 63 per cent of the long-term money borrowed by farmers. In three short years, that percentage fell to 35 per cent. The federal government kept letting the FCC go short of funds and that is still their policy.

They are not living up to their responsibility, so the province has to step in on occasion. The emergency beef payments are a good example. The provincial government will always support Ontario farmers when federal programs or responsibilities fail. We always have and we always will. If the member for Haldimand-Norfolk really wants to help farmers, he better start writing letters to Ottawa to the federal member of his own party. Maybe Mr. Whelan's cabinet colleagues will listen. They do not seem to be listening to anybody else at the moment.

There has been a lot of talk about other provincial programs. I would like to tell the House about an experience I had recently. Quebec had a storage problem for a while. They do not have it any more. I was talking to a man in my riding in Campbellford who has a silo construction business. I might add, this afternoon I phoned that silo company in Campbellford and two silo companies have lost between 70 and 75 silos because of the cutback in Quebec, almost \$1 million worth. It seems to me that was a program that had lots of fanfare but not much money in the cash register for it to run out.

I remind members I know what I am talking about when it comes to agricultural programs. I have been a farmer in this province all my life. I have had a good opportunity to view the government's performance over the years. I remember many provincial programs that were brought in to plug holes left by the federal government. They worked to keep our farmers on track. I know whatever programs are necessary will be established in the future, as they have been for many years.

I also remind members, many of whom are farmers themselves, that farmers are a hang-tough crowd. Sometimes I think that makes them a pretty unusual group, but the fact remains they are not big on taking handouts. The Ministry of Agriculture and Food estimates are going on now. Anybody who has been paying attention will know the minister is keeping very much on top of the situation.

His staff are collecting information from every available source so he can pinpoint the exact condition. I repeat, the member for Haldimand-Norfolk belongs to the party that has given us high interest rates and an underfunded federal Farm Credit Corporation. I suggest he get out his pen and start writing to Ottawa quickly before the postal rates go up again.

4:40 p.m.

Mr. McKessock: Mr. Speaker, I rise to support this resolution and congratulate the member for Haldimand-Norfolk for bringing it forth. Certainly, we have a severe situation out in the farms these days and it has been brought about mainly because of high interest rates. What can we do about that? The other provinces have taken steps to help their farmers. The Ontario government has done very little. I would like to support my colleague in saying to this government that it should do the same things as other provinces are doing to give our farmers the same competitive opportunities that farmers in other provinces are getting.

I think one thing it could do would be to revise the junior farmer loan to give it to all farmers, not just junior farmers, and allow the farmers to refinance their existing debts at, say, 13 per cent over 25 years. I think this would certainly help the situation. It may be the most feasible thing the government could do too, although rebates on interest rates would be quite acceptable.

I want to mention that I was called to a farm in Wellington county one morning about seven o'clock. They wanted me there by 11 o'clock. When I got there, 25 farmers were there and the farm had just gone into receivership. From that meeting there we arranged to meet with Whelan. A survey was taken of the farm situation in Grey, Bruce and Wellington. Through that survey and the various means we had, it showed that 50 per cent of the money farmers were borrowing was on the floating interest rate. I think it was criminal the way the interest rate was allowed to jump from 13 per cent to 23 per cent in just a few short months. That is certainly what has caused the biggest problem.

I just want to quote, as I close here, a statement that was made by someone: "If we burn down our cities, the shops will spring up again like magic. But if we burn down our farms, grass will grow in all the streets in every town in the province."

Mr. G. I. Miller: Mr. Speaker, it is obvious the government side is using the same tactics. It indicates to me that they have been around for 40 years and it will be 45 before another election, and they are very arrogant. I was not elected to represent Ottawa. If I had wanted to run for that position I would have done so. I was elected to represent the people of Ontario at the Legislature at Queen's Park and that is what I intend to do.

One can read into the resolution what one likes, but I would have liked to have broadened it to cover the small business area and the housing area, because I know that anybody who has to pay 24 per cent interest just cannot survive in the economy today unless he or she has had a tremendous amount of backing. Again, I appreciate the support from the NDP. I appreciate all the people who have taken part in this debate.

I just hope we can bring up to the government the fact that other provinces are doing something for their agricultural industries that they feel is important. Other nations are doing it for their agricultural industries. We just want to give the government a little bit of a push to see if it cannot do something to protect our agricultural industry and see it grow again. Our young people would like to have an opportunity to get their hands on that land. But this government goes for the big and the strong and if the little guys are not given a chance, it is going to drive them to the Socialist system as it has in other countries.

I would like to read a little article that appeared in the *Globe and Mail* on October 18, 1981, headed Food is Rationed in Romania. It says: "Romania has become the second East-bloc country after Poland to introduce food rationing since the immediate post-Second World War period. Romania has announced bread rationing, setting annual consumption limits on wheat and corn products and making it a criminal offence to feed grain to animals.

"The ration of bread and flour-based products works out at about 14 ounces (396 grams) per person a day, while the average allocation of corn, a local staple, will be about 5.5 pounds (2.50 kilograms) a month."

I do not think we have to look forward to

something like that in Canada and in North America. As long as I am a member of this Legislature, I want to leave it for our young people to produce for future generations, and that is what this is all about to me.

EDUCATION AMENDMENT ACT

Mr. Grande moved second reading of Bill 101, An Act to amend the Education Act.

Mr. Grande: Mr. Speaker, I would like to reserve the time that I will have left.

I would like to begin introducing this bill in the light of the fact that corporal punishment has been going on in schools, I suppose, since time immemorial. As we progress as a society, as we understand more and more how the mind of a child functions and how best to teach a child, we should begin to leave behind in the history books the vestiges of what are sarcastically being called torture techniques.

Coercion and physical force have no place at all in the educational life of our children. Child abuse in the principal's office is no longer acceptable. It is the provincial government, not the individual school boards, that must act in order to ban the use of the strap in our schools. I will make it clear a little later why it is a provincial responsibility to act now.

I strongly believe, and all members of the Legislature will surely likewise believe, that the values of a democratic society cannot be secured, cannot be inculcated in our youth by means of physical punishment. On the contrary, the guiding ethic of the process of education must be to create in the schoolrooms of the province an atmosphere where work, achievement, effort and self-worth are recognized and, above all, valued.

It is ironic that what one arm of government does, another one usually attempts to undo. In the past two to three years the Ministry of Community and Social Services is finally moving to establish programs to stem child abuse. Yet in our schools force is legitimately and lawfully administered. If a child arrives in our schools beaten up with a belt the school staff are required by law to report that fact to the children's aid society so that the matter can be investigated. We are shocked, disgusted and alarmed when such an event occurs, yet somehow it becomes acceptable to strap a child in a school principal's office. As far as I am concerned this is simple and pure hypocrisy.

I hope the Ministry of Community and Social Services has amply communicated its concerns to the minister, and as a result I expect to have

strong support for this bill from that cabinet member, who of course is not in his seat right now.

Speaking of cabinet members being in their seats, I had my office call the office of the Minister of Education (Miss Stephenson) simply to ask if she would be here for the debate, because, as you know, Mr. Speaker, in the past three or four months the minister has been attempting to do something to the effect of what I am talking about today. The answer from the minister's office was that yes, she would be there, but that more than likely she would not participate in the debate. I said that was fine, provided that the minister was present at least to hear my thinking and that of other members of the Legislature on this very important topic.

4:50 p.m.

It is not often that we debate topics of controversy and attitudes and feelings—feelings that are within ourselves—in this Legislature. When it happens one would wish that some of the cabinet ministers would be here. I guess I should be happy that we have four backbenchers sitting in the back rows.

As members are aware, the Minister of Education on January 17, 1981, sent a memorandum to the chairmen of school boards across Ontario asking them to bring to their respective boards the matter of corporal punishment. Some time later, the minister also sent the boards the review and evaluation bulletin entitled, *Corporal Punishment in the Schools*.

In the memo of January 17, 1981, the minister said to the boards, and I quote, "I think you will conclude, as I have done, that if the schools are to make their best contribution to the moral development of the student and to the moral climate of the community, there is no place in the schools of Ontario for institutionalized corporal punishment."

I must say that in standing in my place today I happen to be in total agreement—probably one of the first times that it has occurred—with the Minister of Education on this particular issue.

The boards of trustees met one after the other in February, March and April of this year. As far as I am concerned, the decisions they have made are the most depressing I have ever been able to read in the daily press. The boards, by and large, decided to maintain what is termed the status quo. The decisions were to continue to beat up, abuse and humiliate the youth in our schools. They decided to maintain the instrument of psychological, moral and emotional torture in the principal's office. Therefore, I think we have to ask why.

Before I do that I want the Minister of Education—and I guess she will read the remarks that are made—to clearly understand that she asked the boards of education across this province in a polite way—in other words, she said to the boards: “Will you look at this? Will you please come to a decision as to what you are going to do?” The boards have answered the minister by saying in effect, “We want to stay the way we are.”

Given the Minister of Education’s strong feelings and strong commitment to this particular issue, I would say to the minister it is imperative that the government and her ministry must move on this topic and must move now. I guess the best way to begin is by supporting this legislation which is before this House today.

I was talking about the minister’s strong feelings. I want to quote some of the minister’s strong feelings from Hansard during the Education estimates of June 15, 1981. The minister says, on page S243 of Hansard:

“Since we have learned that application of physical punishment is less than supportive of a learning experience in a school, surely it is within the capability of the educational ministry, the structure which delivers education and the professionals who are involved, to find ways of disciplining kids by means other than beating them to a pulp.”

Further, the minister says, “But to take him to the principal’s office, bring out the horrendous looking instrument of torture and terrify the kid in some instances, because that is what happens, is not fair.”

Those are pretty strong feelings from the Minister of Education of this province, and I would hope the people from the other side, who are right now in this Legislature, will take into account the minister’s position and be knowledgeable of the minister’s position before they get up in this Legislature to vote.

I must return to the question of why the boards of education are deciding to maintain the status quo. Of course, in political terms it is understandable. The reason it is understandable is that the population at large is divided on the issue; the population at large seems to be split almost 50:50. A recent public opinion poll, a Star poll as a matter of fact, of April this year, found that out of 200 Metropolitan Toronto residents 45 per cent support corporal punishment, 44 per cent oppose it, and 11 per cent say it depends on circumstances. Of those 200 residents, though, 51 per cent of those who have children in the school system oppose corporal punishment and 35 favour it.

In the review and evaluation bulletin I mentioned earlier, surveys of parents, pupils, teachers, vice-principals and principals were carried out in 1979-80, and 2,043 parents returned the questionnaire. I want to turn to that page in this report because I think it should be read almost in totality. By the way, I just must say to the people sitting on the other side, all the information I am using is information which comes from the Ministry of Education. On page 14 it says:

“A total of 2,043 parents returned the questionnaires. Of these, 1,199 approved use of the strap ‘if the principal feels it is appropriate’; 649 did not. The strap should be employed to punish ‘continual deliberate defiance of school authority and as a last resort’; 1,014 for ‘stealing or vandalism,’ 749 ‘or for swearing or being rude to the teacher.’”

Yet, of the 178 parents reporting that their children had been strapped—we are talking about a mere seven to eight per cent, so it is not in great use in our schools, this instrument of torture—97, which is over 50 per cent, said its use had either no effect or a negative effect on their kids.

Student responses are also revealing. In all, 2,267 participated. Only 379 felt the strap made pupils “behave better,” while 1,177 stated it did not. About half, 1,168, said that if the strap were taken out of the schools there would be no difference in the number of discipline problems, a total of 644 responded that there would be more discipline problems, and 233 predicted fewer problems. Teachers also rank the strap as having very little effectiveness in discipline.

5 p.m.

The possible conclusion that this provincial review arrives at is this:

“A possible conclusion from these findings is simply that the continued use of and support for corporal punishment is the result of adult frustrations over how to deal with the worst behavioural problems in schools. Seen in this light, corporal punishment survives because of the failure of discipline with some pupils. As a corrective measure it is seen as ineffective, a feeling confirmed by psychological and sociological research findings that punishments have little deterrent effect in correcting behaviour and are likely to have a negative one.”

This is a provincial review I am talking about, a document produced by the Ontario Ministry of Education.

I do not intend to make a dissertation out of this speech by calling on the research that has been done. Suffice it to say that the majority of

the research I have seen in the past 15 years during which I have been involved either as a politician or as an active educator in the educational system in this province suggests that corporal punishment should have no place in our public schools, period. In 1971, a researcher by the name of Chamberlain summarized the research conclusions on corporal punishment as follows:

"Punishment has a history of ineffectiveness and futility covering several thousand years. Punishment is considered detrimental to the development of democratic views and truly democratic discipline. The dominating tendencies and aggression manifested by many persons in applying punishment indicate that these persons to some degree are neurotic. Children rapidly learn the methods of authority, dominance and aggression demonstrated by the teacher. Since methods which are demonstrably more effective are available, reliance on punishment and stronger methods seems truly wasteful.

"All forms of correction with punishment have one thing in common: A person learns from them what not to do but not what to do. To be more effective, punishment should be based on the following: It must be administered in terms of the past life of the child; it must be based on understanding rather than emotion; the reason for the punishment has to be understood by the child; it must be related to the act rather than to the one who committed the act."

Mr. Speaker, I want to put to you in the strongest possible way that I do not want the members who are going to join this debate to assert a similarity between discipline and corporal punishment, because those two are not synonymous at all. Discipline should be one of the goals of the educational process; discipline enhances the educational process; the values we learn as individuals are what discipline is all about. However, corporal punishment tends to inhibit the educational process; it tends to develop aggressions in the individual and it fosters violence. The old saying is, "Violence begets violence."

To equate the removal of the strap with the removal of discipline is a completely fallacious argument. Children must have limits and controls—we all know that and we all accept that. The proper development of a sense of self-worth and an understanding of the worth of others come about by involvement as citizens in

the school community. Discipline should be a goal of education; corporal punishment inhibits education.

The Deputy Speaker: One minute.

Mr. Grande: Mr. Speaker, I am not going to take up the whole minute. I just want to ask the members on the other side and the members of the Liberal Party, "Please do enter the debate, but let's be constructive about it."

Mr. Dean: Mr. Speaker, the bill tabled before this House today is a controversial one; there is no doubt about that. In fact, I think we all know there is a great variance of opinion among the public as to the proper course of action here.

This amendment, while it attempts to deal with what is perceived by the member as a problem, is in my opinion a faulty one. The member opposite considers himself to be a champion of the rights of children, and he has used some very emotionally charged words in the last few minutes that I doubt have any place in the reasoned debate that is supposed to be going on about this matter.

For one thing, he has equated what we are talking about here with child abuse. He has drawn a picture of a battered, bruised and perhaps bleeding child who would be a fit ward of the children's aid society as though that were a result of the sort of corporal punishment that would be administered in a school for cause. There is no similarity there at all. It is not a suitable example.

Furthermore, he has referred to the strap, or whatever other instrument he might be thinking of, as an instrument of torture. No matter where he got the idea—and I recognize it probably came from some other source than his own brain—I do not accept that as a suitable description of anything that is used in our schools in this province today. Maybe he is thinking of the thumbscrew, the rack, the iron maiden or some other device like that. I do not think that is a fair comparison either. Certainly nobody uses things that could be called instruments of torture.

In spite of the noble ambition displayed by the member, I do not think the elimination of corporal punishment at this time would be appropriate without further study and discussion. The member's amendment does not represent the views of the community at large. I have said there are differences of opinion here, and I differ very strongly with the member who is proposing this bill. If this were a cut and dried issue and there were general agreement, which

there is not, then I suggest we should not change the Education Act in any event but rather amend the regulations made under the act. However, I am not going to get into that particular aspect of the question.

The simple fact is that educators, parents and students alike are not all in agreement with the idea in this bill. I put it to the member that the reason they would not support it is that in the course of their experience they have found that the strap has proved to be a deterrent, whether it is used or not. I do not know about the honourable member who is supporting this bill, but many of us have disciplined our children at home for breaking a rule or condition we have imposed by spanking them or something similar to that and they were none the worse for it.

Mr. Haggerty: That's where discipline begins.

Mr. Dean: I am glad to hear that comment from the member for Erie. I agree 100 per cent that is where it begins. But, unfortunately, it does not end there, because in some cases there is not a very good beginning.

The children are none the worse for that kind of disciplining. In the process of disciplining them, we are fulfilling a parental duty that has been imposed upon us by society and by our own standards. Discipline is something essential to our survival as a nation and as individuals. We are not born as civilized and socialized beings. We must be taught the values and structures of society in order that we may properly take our place as part of the larger group.

5:10 p.m.

So it is in the classrooms. Students are there to learn and to master more than just reading and writing. Students learn that the teacher is the one in charge—if they have a good teacher—and that they are responsible for being punctual, attentive and polite. They learn to interact with their peers within the school environment.

Interacting with one's peers does not mean fist fights in the school yard or locker room. It does not mean constant interruptions during a teacher period. Nor does it mean giving verbal abuse to one's classmates or taking verbal abuse from them. Things like that are considered unacceptable at home or at school. Maybe some of them are considered acceptable in this chamber, but I do not think so.

A teacher with a larger class is in no position to be forced repeatedly to take time to try to reason with one child who has a continual behavioural problem. When a particular child

repeatedly shows disrespect for reasonable rules and ignores the regular methods of discipline, alternative action is required.

There are certain instances, and I grant there may not be many of them, where the strap would be an appropriate form of discipline. I would suggest it would be used only when a school board has a stated policy regarding its use, but those boards should not be denied that. The policy would have to be acceptable to the residents of the community, under conditions the board sees fitting.

I am interested to note that the member for Oakwood (Mr. Grande) has suggested it is not the responsibility of the boards to manage the school in this instance but that the provincial government should come down with a heavy hand on this. I am not surprised at that, because I think it is typical of the remedy he and some of his associates have for almost any ill: "Let big, heavy government come in on it." I do not believe that. There is a place in our society for the local autonomy of boards which are legally set up. The more we have of local responsibility, the better things will run.

Moreover, I think it was interesting that, while the member for Oakwood has said parents should not have the choice through the feelings they would make known to their local boards of determining whether there should be corporal punishment in a school, he and his colleagues—I think he may feel this way; certainly it is the stated policy of his party—would deny the parents the right to say whether the unborn child should be protected.

The policy we are speaking of would have to be acceptable to the residents of the community under conditions the board would establish as fit; and, before anyone would take the strap to anyone, there certainly would be incidents that would justify it following the failure of other forms of discipline.

This is not likely to arise out of the blue. It could be there are problems at home that upset the child and cause that person to lash out against the teacher or other students but, when school officials are aware that kind of problem exists, then I have no doubt they would temper their judgement accordingly.

Whatever the conditions, the strap should be used only as a last resort when all else fails and communications are broken down. It should be administered only by the principal, and the parents should be advised that it is to be used—not to get their consent but to let them know.

Children need to know that there is a consistent approach to discipline and that, if they overstep the bounds laid down, they will suffer the consequences. We do not do them any favour by creating the impression that there is no personal, serious liability for their conduct and that everything they may think of doing is their God-given right.

Children are constantly challenging and pushing their barriers. They begin to learn what is and is not tolerated by adults. If we fail in our duty to set firm barriers, a point is reached where we lose the respect and love of our children.

What I am advocating is the return—if we have advanced from it—to the kind of parental discipline of our children that is fair and enforced, to the ways most of us experienced in our own childhood and we have tried to carry out. In the long run, this will do everyone good.

Who are the teachers we remember? They are not the ones who were easygoing and relaxed disciplinarians. They are the ones who demanded and got attention, who treated everyone fairly and disciplined those who were acting up.

Teaching will be strengthened if it is generally known that there is fair and equitable treatment of all these things. I know that many of my constituents oppose the notion expressed in this bill. Under the present act, boards of education which so determine may adopt this policy.

I urge members not to support this bill.

Mr. Sweeney: First of all, Mr. Speaker, I want to compliment the member for Oakwood for bringing forward this issue. It is one that has occupied the time of many members of this Legislature, particularly when we were debating the changes and amendments to the Child Welfare Act and the whole question of child abuse in our society.

I point out to my honourable colleagues on both sides of the House, however, that there are different ways of abusing children. I am reminded by my colleague to my right that in many cases, both in our homes and in our schools, the kind of verbal or psychological abuse we use on kids is frequently much more severe and much more serious and does much greater damage than some of the physical abuse that is imposed on them. Therefore, I draw to my colleagues' attention that it is a very broad issue.

While I agree with the member for Oakwood that this is a matter we should attempt to resolve, I am not convinced that his method of resolving it is the best one. I speak from my

experience within the schools, I speak from my experience as a parent and I speak from my experience as a critic in this Legislature, having met quite a number of parents, trustees, teachers and students over the past five or six years.

I want to digress for a moment to speak to my honourable colleague the member for Wentworth (Mr. Dean), who is the parliamentary assistant to the Minister of Education (Miss Stephenson), and to the member for Oakwood.

I am referring here particularly to the words of the minister as opposed to those of the parliamentary assistant. I remember that in the estimates of the Ministry of Education I had to draw to the minister's attention and, quite frankly, chide her on the use of such phrases as, I think it was, "beating children to a pulp" or "using instruments of torture."

I think all of us in this House realize that this does not take place in our schools. Children are not tortured in our schools; kids are not beaten up in our schools. These kinds of things do not happen in the corporal punishment administered by teachers. They may happen from student to student. As a matter of fact, they not only may happen; we know they do happen from student to student in some cases.

If we are going to have a debate on this issue and if we are going to resolve this issue, then it behooves us not to use that kind of language, because we immediately alienate an entire segment of the public who would otherwise participate in such a debate.

I am not convinced that my colleague the member for Oakwood is pursuing the right approach here, because we have to look, first of all, at what is happening in our schools now, at what the consequences of this particular action would be and at some of the other ways in which it might be done better.

When the member for Oakwood first indicated that he was going to introduce this bill in the last session, one of my assistants and I made a survey of a fairly good random sampling of the school boards and the various teacher federations across this province.

We found out a couple of things. We found, first of all—and the member for Oakwood quoted a figure: I think it was seven or eight per cent—that the strap has been almost eliminated as a form of corporal punishment in our schools anyway, that it is used relatively rarely and that a number of school boards in the province have already banned the strap in their jurisdictions.

In fact, I remember reading in one of the Toronto papers during the last four or five days

that the Timmins Separate School Board had made a decision at its last board meeting that it will not be done.

5:20 p.m.

I point out to the honourable member that even in those jurisdictions where it is still permitted, and where the boards require some form of reporting technique, we are told that the most any school in their system reports using the strap is three times in a year.

Granted, there may still be a few school boards in the province where they do not have some sensible guidelines, or where they do not keep reporting mechanisms, but what I must say to my colleagues is that those we contacted either did not allow the strap or had very strict guidelines and pointed out to us that it is rarely used anyway. I think we have to keep in mind that the whole thing is in the process of gradually being eliminated.

I must say that my own feelings are that we should continue to encourage this process. In my judgement, one of the things we would do, if we kept this bill exactly as it is, would be simply to send out a message that said, "We are telling you what you cannot do, but we are not prepared to do anything to assist you."

If the minister were present, I would ask her to examine why is it that some of these things take place in our schools. Why is it that some of our students are so frustrated over their lack of success in school and their continual failure in school that they resort to the kind of behaviour that draws corporal punishment? Why is it that some of our teachers are so frustrated and so overworked that they resort to this particular method of discipline?

I want to compliment the member for Oakwood for drawing to our attention that the word "discipline" must be used in a very different sense than just meaning corporal punishment. But the fact remains that there are a number of problems in our schools.

Simply to say that a teacher is no longer allowed to use the strap, without giving that teacher any assistance to solve some of the problems that he or she is facing, I think is irresponsible on our part. I think our responsibility at the provincial level is to see to it that our schools, our teachers and our students get the kind of educational assistance which would make the strap unnecessary. I think that is a desirable goal.

I want to make one other point. As the member for Oakwood said so well himself, in an issue like this we are dealing with attitudes and

feelings. They are important. It just happens to be one of those kinds of issues where we are not talking of something that is either very simply black or very simply white, or where you can come down on one side or the other and not feel any qualms whatsoever. It is not that kind of an issue.

There are deep attitudes and deep feelings, as the member for Oakwood mentioned, in this whole issue. There are people who legitimately hold these attitudes and feelings on both sides. I think it is not proper for us simply to wipe that off and not take that factor into consideration.

It would be far better for the Minister of Education to send out some very firm, very clear and very precise guidelines and to say to the principals of our schools and to the trustees of our school boards, "I want you immediately to set up, in every school in this province, a parent-teacher council which would look into the entire matter of discipline"—discipline in the broadest sense of the word, and not just discipline meaning corporal punishment, with which, unfortunately, it is sometimes associated."

She should say to the parents and teachers in every school that they should sit down and examine the problems. Why are our kids misbehaving? Why are our teachers put into these kinds of positions? What is happening in the homes of these kids? Then the teachers could fully understand what is happening in the kids' homes, and the parents could fully understand what is happening in the classrooms and could say to them: "Let's work together on this."

I strongly believe that most of the schools in this province would emerge with a decision—made voluntarily and co-operatively on the part of parents and teachers—not to use corporal punishment. I do not know that for a fact, but I have a strong sense that is what would emerge. I say that would be a much better way for us to go.

What we have to appreciate is that at the present time, under the present conditions, morale in our schools among our teachers is not very high. There is a strong sense of frustration. There is a sense that the provincial government—in some cases even this Legislature—is simply pointing the finger of criticism at them all the time and saying: "We are going to take away this, take away that, and take away something else and not put anything legitimate in its place."

We have a severe and serious responsibility to say to them that we understand their concerns, that we want to work with them and that we

want to pass resolutions and legislation in this House to make their job more workable and provide a closer co-operation between parents and teachers in the schools in deciding these kinds of issues. They are the significant adults in the lives of our students. If those people do not understand each other, do not agree with each other and do not work together for the benefit of the students, then nothing like this will work.

Mr. Cooke: Mr. Speaker, I want to congratulate the member for Oakwood for bringing forward this piece of legislation for debate in the Legislature. I will be supporting the bill, as will the majority of my colleagues in this party. Enough evidence has been put forward to school boards and teachers that corporal punishment is simply not effective in making sure that discipline is in existence in our classrooms throughout this province.

It seems to me the basic motive in the use of corporal punishment, and in particular the use of the strap, is discipline by fear among our young people in the classroom. That is a very negative and, in some respects, sick method of discipline. The studies the ministry has done in gathering various pieces of literature on corporal punishment indicate that the strap reinforces violence and negative behaviour in children. The Ministry of Community and Social Services and the people involved in the administration of the Child Welfare Act have indicated their concerns about the use of corporal punishment as well.

When I was a school board trustee in Windsor and we talked about this issue, the basic concerns were public attitudes, teachers' views, the need for support systems that would have to exist in the school system if corporal punishment were to be eliminated, and the cost of implementing such a program.

The strap is the cheapest and easiest way to deal with the problem. If a child is misbehaving, the best thing to do is to instil fear into him, and then the child may sit back and behave in class. He may not participate in discussions, he may not be an active student, he may not learn well, but if he sits in his seat, is quiet and does not disrupt the classroom, then that is fine, and the strap has been effective, as far as some people in our system are concerned.

If a child does something wrong, the strap is not the answer. We should be looking at the relationship that exists between the student and the teacher. If there is a good relationship between the teacher and the student, in most cases the child will want to please the teacher.

The most effective discipline is not to hit the child or use corporal punishment. The most effective way is to show disapproval of that behaviour. If there is affection and respect, the child will behave, because that disapproval will hit home with the child. To use physical discipline against a child is, I think, a totally wrong approach.

If we are going to get into adequate relationships between teachers and students, we have to look at class size in this province. We cannot expect a teacher to have a good working relationship with each child in his class if he has 40 students. It cannot happen. But that is exactly the case in many of our classrooms, with 35 and 40 students, in our elementary grades, and particularly in our primary grades, and the relationship never develops.

When I was a social worker in Windsor, I remember a child I worked with, who was in grade two. He was receiving the strap almost on a weekly basis for the first couple of months of his second school year. Eventually his parents came to me, their family social worker, and indicated their concern. They went to the principal and said they could not put up with this kind of discipline any longer.

A psychologist was brought in. He examined the situation and found that the child did not have a behaviour problem; he was under-challenged. They put him in a class where he was taking grades two and three together, and he was never again a behaviour problem in the two years after that during which I worked with the family.

Again, this is a case where the cheapest and easiest way to deal with the problem was to strap the child and eventually he would behave. It does not work at all. Had this treatment continued, they might have been successful in having him sit in the back of the classroom, without challenging the teacher, without participating. Eventually we would have had a child who would have been completely turned off by the system, who would have completely under-achieved and who perhaps would have been one of the statistics of drop-outs which are on the increase in our system and have been for quite some time.

5:30 p.m.

There is a strange aspect of corporal punishment, the theory behind which I cannot understand. I will read: "A pupil shall accept such discipline as would be experienced by a kind, firm and judicious parent." If that is the case, why in so many of our schools does the teacher

who teaches the student not apply the discipline? In many of our schools it is either one particular teacher who applies the strap for the whole school or it is the principal who applies the strap, not the individual teacher who has the relationship with the child.

It seems to me that parents would not go to a neighbour to apply the strap or to apply discipline to their child. They do it themselves. It just reinforces my whole opinion that using the strap or any form of corporal punishment in our system is sick and ineffective.

I was talking to a teacher and a principal at a retirement dinner for Mr. R. H. Field, the retiring director of education for Windsor, a couple of weeks ago. The principal indicated to me that he has two kids in his school who are being maintained on the strap. He said, "If it were not for the use of the strap, these children would not be able to stay in the school system."

He was maintaining them on the strap. Obviously, I totally disagreed with him and told him that, if that is the kind of methods they had to do to maintain him in the system, there was something wrong with the system.

From what the member for Wentworth said earlier, the biggest concern is simply that this government is concerned with public attitudes. It realizes the strap and corporal punishment are wrong, but the government is not willing to take the leadership to outlaw the strap because it is worried about public attitudes and the reaction of people in our communities who have been saying for years now, "Our schools are underdisciplined, and the children get away with murder in our school system."

That is simply nonsense. There has to be leadership from the ministry. There is all sorts of interference at this point by the provincial Ministry of Education at the local level, but it seems to me it is always selective interference. It is interference when it is popular but, when it is unpopular, all of a sudden it becomes a local decision.

If we are really to develop a system of education in this province that takes individual students and their needs into consideration, the first step towards doing that is to say we must eliminate corporal punishment and bring in a system of understanding and individual treatment of children, a kind relationship to children.

The leadership can come from the ministry. The minister has said on occasion that her position is that she does not believe in corporal punishment but will leave it up to the local

boards. If the parliamentary assistant expresses that it should be done through regulation, I am sure that would satisfy the member for Oakwood, and it would certainly satisfy me.

If that is the way they want to do it, just tell us today that it is not going to be done by legislation but that it is going to be done by regulation and that, furthermore, the government is prepared to bring in some of the support services that are so very necessary so that when a child does have a problem in the classroom he can be helped with it.

They will have the social work support services and they will have the psychological support services. We can do the in-service training with the teachers who work for the school boards so they will be able to handle some of the problems we refer to as discipline problems, but that are really symptoms of children not coping well in a system that tries to treat all children the same. It is time we treated children as individuals and human beings, and not in the way this government tends to do with the present educational system.

Mr. Barlow: Mr. Speaker, the member for Oakwood (Mr. Grande) has brought before us an issue that is of great concern to Ontario's teachers, parents and pupils—there is no question about that. Discipline is a quality that is necessary if we are to continue living in a society that is ordered, structured and functioning smoothly.

I, as all members of this House, am concerned about the discipline of children. I am also concerned about the discipline of the society in which we live. Ideally, discipline should be taught at home by loving parents. Once in a school situation a child is formally introduced to the discipline of the larger society. Teachers, particularly in the lower grades, are in a position of authority, and they are charged with maintaining, under the direction of the principal, proper order and discipline in their classrooms, while on duty in the school and while on the school grounds.

Nowhere in the act does it state methods to be used in disciplining the child, and that is as it should be. I strongly believe that, today more than ever before, teachers in our elementary schools are charged with the important responsibility of moulding our future citizens. I for one certainly have a great deal of respect for and confidence in the professionalism of Ontario's teachers. I am sure there are many times when they must feel they are fighting a losing battle.

Parents, teachers and the community at large

all have an obligation to try to alter the pattern of children with persistent behavioural problems. All too often we find that parents abdicate this responsibility and leave it to the school and to others to discipline their children. I can speak from some experience on this subject in that I have spent 32 years as a leader of Wolf Cubs. We have those boys for only an hour and a quarter or an hour and a half a week, and I can certainly appreciate some of the frustrations teachers must go through. In that short hour and a half one can see some of those children are receiving very little discipline at home.

Certainly the vast majority of parents do accept their responsibility and do have proper discipline around the home. This makes the teacher's life much easier in maintaining discipline in his or her classroom. After all, he or she may have 30 to 35 children to teach, and it becomes very difficult if one or two of these children are disruptive in the class. If I as a parent have done my job properly at home corporal punishment really should be completely unnecessary.

We are all acquainted with a number of school teachers; some of our colleagues here are former teachers. I am sure most of the teachers I know not only do not want to use the strap but in fact do not use the strap.

However, all students do not have the same temperament nor do all teachers have the same temperament. Whether or not the strap is used, the mere fact it can be used may be a deterrent to some of the students with behavioural problems.

It is a fact that the 15- to 24-year-old age group commit the highest number of crimes in our society. I do not know if we will ever know whether this is the result of a lack or an excess of discipline in their younger years. Quite frankly I wonder if we should return to corporal punishment in our penal system.

All members of this House are probably aware that in 1968 or thereabouts a memo from the ministry came down and was sent to all school officials in the province recommending that principals and teachers refrain from using corporal punishment as a means to discipline children. I understand from discussing this matter with the director of the Waterloo County Board of Education that although they discourage corporal punishment they do not advocate abolishing it. They support the idea that a teacher should be able to exercise the same discipline a kind, firm and judicious parent would.

The act should give each school board the flexibility to establish its own guidelines. It may well be that some boards, for their own reasons, will wish to regulate against corporal punishment while others may wish it to remain as a means of discipline.

There is no question the member will receive support within Ontario for the abolishment of corporal punishment.

5:40 p.m.

If one were to take 100 or 125 members of this Legislature, one would get many votes on either side. However, I am from the old school and I feel a slap on the bottom or on the hand has never hurt anyone. In fact it probably helped most of us learn right from wrong in our younger years.

Mr. Bradley: I rise to speak on this issue because I feel strongly about it. I often find myself in agreement with some of the proposals put forward by the member for Oakwood because his expertise in the field of education is considerable. I commend him for at least bringing this issue before the House. Having said that, that is about as far as I can go in agreement with him.

I do not wish to be characterized, as the Minister of Education wishes to characterize me, as some kind of villain who wishes to see the children of this province beaten with yardsticks or the cat-o'-nine-tails.

From my experience in teaching and from my communication with teachers on an ongoing basis—indeed, with the parents across this province—they say when the Minister of Education talks about abolishing the strap and when bills of this kind are brought before the Legislature those who do so are removing the last vestige of discipline in the education system. That is an overstatement and it is probably extremely unfair to say that. Nevertheless, it is reflecting a point of view held by a large number of people in Ontario.

I have heard people say—and some of them are good friends of mine and colleagues in this House—that one must be innovative, one must find other methods of disciplining students. But if we look at the experience of various boards across the province, and the Board of Education for the City of London is one which comes to mind, we find when the strap is abolished the general tone within that education system changes somewhat.

While we should ultimately, in a Utopian society, attempt to persuade people they should

not break laws regardless of whether they are education laws or the rules of a classroom, ultimately fear of some kind of punishment does play a role in keeping control, not only within a classroom or school but within an entire school system.

I have yet to find people who can tell me there is a different ultimate disciplinary measure that can replace the strap in the school system. For instance, I have heard many people say the obvious solution is to suspend the child. That is one possible avenue of action and it is entertained by many schools. One sends the child home to what? In some cases, the child is sent to a broken home where mother has to go out to work, father is off in Alberta somewhere and no one is at home to look after that child who goes to the plaza or a pinball arcade.

These are possibilities that exist. That avenue of action, which many of my fellow members of this Legislature suggest is reasonable disciplinary action, cannot work. I have yet to find a suitable punishment other than the strap or the possibility of the use of the strap for the student who tells the teacher, in the federal venacular, to fuddle duddle, as someone once said.

Do you sit down with Johnny and say: "You must understand this is not what you are supposed to do. You are supposed to show respect for your elders." The psychological approach seldom works with children of that kind. There are those who act as bullies in a school yard who are afraid of nothing else. Many children in our education system, having committed an offence, now have no fear of any retribution.

I found in a survey I took in my own constituency—and I had 2,500 replies to this survey, which is rather substantial—the largest proportion of people who indicated a preference for either "yes" or "no" on an issue involved the issue of school discipline, where 92 per cent said they were in favour of stronger discipline within the schools. Many of those people translate that into retaining, at least, the strap as one of the possibilities within a school system.

In the olden days when people got the strap because they could not spell, or when a student was placed in front of a class and strapped to the amusement, or whatever, of his classmates, that was wrong. That was an abuse of that weapon of discipline. Nevertheless, under the present circumstances, where corporal punishment is usually administered by either the principal or the vice-principal, or in the view of the principal or

vice-principal, many of the areas where abuse could have occurred in the past have been removed.

Indeed, within school systems across the province the use of the strap has diminished considerably but most teachers, certainly in the elementary school system, have requested that it be retained as a possible means of discipline, as a certain symbol of discipline within a school system. The Ontario Public School Men Teachers' Federation, I recall, took a poll earlier this year of its membership. The indication was pretty strong with that group that while its members did not wish to see the strap as a first line of defence in terms of discipline they wished to see it as an ultimate possibility.

I well recall, and this opens me to remarks from my colleague, a couple of occasions when I received the strap. On one occasion it was from a person who is now a high official in the Ministry of Education by the name of Kel Crossley. I was recalling this incident to him at a school reunion at the old Carleton school not long ago. I think I recognized at that time the value of that. I guess I could have been persuaded psychologically with the expenditure of a large amount of money that somehow getting kicked out of Mrs. Gawley's class for the fourth time was not proper. The rule was that the fourth time one was kicked out one was given the strap.

I am pointing out that for some people within the school system it is a necessary avenue of action to maintain discipline in the schools. Every time we take away one more method for teachers to discipline students, we allow a further deterioration in our school system. Ultimately we will find ourselves in a situation such as exists in New York state, where in many schools there are security guards walking down the halls keeping the discipline that teachers are unable to keep because of some of the changes that have taken place within that system. Most of the disciplinary tools in that system have been removed.

So I implore members of this Legislature to vote according to their own feelings on this matter. I strongly suspect if we reflect the viewpoint of the people of this province we will vote against the proposal of the member for Oakwood, against the proposal that was supported by the Minister of Education, and against a motion that will ultimately have a detrimental effect on our education system.

Mr. Charlton: Mr. Speaker, could I ask how much time is left?

Mr. Speaker: About one and a half to two minutes.

Mr. Charlton: And then a minute for the mover?

Mr. Speaker: No, that is in total.

Mr. Charlton: I will be very brief, Mr. Speaker. I want to respond to a number of the things the member for St. Catharines raised. He seemed to run through the vein very well but unfortunately missed the whole point. He talked about what to do as an alternative to strapping. Does one send a child home to a broken home?

5:50 p.m.

That seems to me exactly where he missed the point. Although there are lots of variations, there are basically only two kinds of students whom we attempt to discipline in the educational system. There are those who truly have behavioural problems elsewhere in their lives, which we are avoiding by using the strap, and those who are involved in competition one against the other for notoriety. In neither case does the strap act as a deterrent, nor does it solve any problems.

For those in competition with each other the strap becomes a status symbol. For those who have problems elsewhere in their lives, which we avoid by the use of the strap instead of dealing with the problem that is the reality for them, we probably extend the problem they are trying to deal with in their own lives.

Mr. Grande: Mr. Speaker, I am really saddened by what I heard from that side of the House and somewhat by what I heard on this side of the House. I feel the member for Kitchener-Wilmot has a point in terms of assistance to teachers. The task force on discipline that has been set up—especially with the boards—is that those boards first move to eliminate the strap. Then they set up the task force on discipline to provide the methods for the teachers and other personnel in their boards.

I say to the members opposite if what the parliamentary assistant indicates is the direction this caucus is going to go, there are rumours around this province that the Minister of Education is about to be debunked, and they have debunked her.

ASSISTANCE TO FARMERS

Mr. Speaker: Mr. G. I. Miller has moved resolution 9.

Resolution concurred in.

6 p.m.

EDUCATION AMENDMENT ACT

The House divided on Mr. Grande's motion for second reading of Bill 101, which was negatived on the following vote:

Ayes

Boudria, Breithaupt, Bryden, Cassidy, Charlton, Cooke, Copps, Di Santo, Elgie, Fish, Foulds, Gordon, Grande, Grossman, Johnston, R. F., Laughren, Lupusella, MacDonald, Mackenzie, McCaffrey, McClellan;

Philip, Ramsay, Reid, T. P., Rotenberg, Shymko, Swart, Wells, Wrye.

Nays

Andrewes, Ashe, Barlow, Bernier, Bradley, Brandt, Cousens, Cunningham, Cureatz, Dean, Drea, Eakins, Edighoffer, Elston, Epp, Eves, Gillies, Gregory, Haggerty, Hennessy, Hodgson, Kerr, Kolyn, Leluk, MacQuarrie, McCague, McGuigan, McKessock, McLean, McNeil, Miller, F.S., Miller, G. I., Mitchell;

Newman, Nixon, Norton, O'Neil, Pollock, Pope, Reed, J. A., Riddell, Runciman, Ruprecht, Ruston, Scrivener, Sheppard, Spensieri, Stevenson, Stokes, Sweeney, Taylor, G. W., Taylor, J.A., Treleaven, Van Horne, Walker, Watson, Williams.

Ayes 29; nays 57.

Mr. Stokes: Mr. Speaker, I think the table should get 10 floggings with a wet noodle. They missed me.

Clerk of the House: No, we did not.

Mr. Speaker: I would like to point out to all members that the member for Lake Nipigon was called first.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, while the members are all here I would like to quickly outline the business. As I indicated earlier, tonight we will debate the first 1981 report of the statutory instruments committee. Then we will debate the motion to adopt the third report of the standing procedural affairs committee dealing with agencies, boards and commissions. Tomorrow we will begin the estimates of the Management Board of Cabinet.

On Monday, October 26, we will complete the estimates of the Management Board, and in whatever time is remaining we will do second readings of Bills 18, 19 and 74 standing in the name of the Minister of Agriculture and Food. Then, if time permits, we will have third

readings of any bills on the Order Paper.

On Tuesday, October 27, we will have second reading in committee of the whole House, if required, on Bill 141. Then for the rest of Tuesday in the afternoon and evening we will have debate in committee of the whole House on Bill 68.

On Wednesday, October 28, the usual three committees may meet in the morning: general government, resources development and administration of justice.

On Thursday, October 29, we will have private members' ballot items standing in the

names of Mr. Jones and Mr. Elston, and in the evening on Thursday, October 29, we will continue with committee of the whole House on Bill 68. If time permits we will continue, if there is a resumed debate, on the report of agencies, boards and commissions.

On Friday, October 30, the House will consider a motion for interim supply, and will begin consideration of estimates of the Ministry of Northern Affairs.

Thank you very much, Mr. Speaker.

The House recessed at 6:06 p.m.

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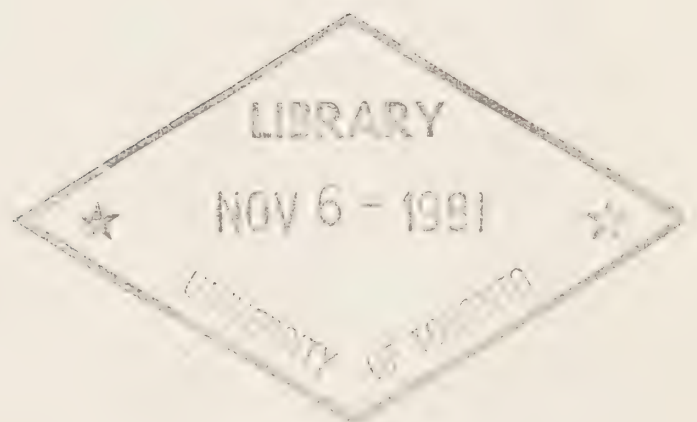
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No. 77

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Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, October 22, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

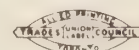
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LEGISLATURE OF ONTARIO

Thursday, October 22, 1981

The House resumed at 8 p.m.

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS (continued)

Resuming the adjourned debate on the motion for adoption of the first report, 1981, of the standing committee on regulations and other statutory instruments.

Mr. Eves: Mr. Speaker, it will be recalled that on June 16 last, it was my pleasure to present to the House the 1981 first report of the standing committee on regulations and other statutory instruments and to move its adoption. I now speak to that motion.

It is obvious that all honourable members have had ample opportunity to peruse this report and be familiar with its contents. The report that is the subject of my motion is divided into two parts. Part one completed the work of our immediate predecessors, which ended with the dissolution of the Legislature before the committee had had an opportunity to report to the House on the regulations filed during the fourth quarter of 1980.

As a convenience to the members of the House, we attach an appendix to part one of the report, a revised and updated summary of the recommendations of the present committee and the previous predecessor in respect of all 1980 regulations. This summary appears on pages 15 and 16 of the report, and contains 11 recommendations, each of which we recommend unanimously and enthusiastically for adoption.

I would like to highlight a few of those recommendations which I consider to be important.

"2. That authority to designate the powers of officials be retained by the Legislature and not be delegated to the Lieutenant Governor in Council or anyone else as has been done in the past in a number of cases. . ."

"6. That the persons involved in the preparation and processing of regulations should not attempt to amend the authorizing act by way of a regulation without specific authority in the act for so doing . . ."

"9. That the Legislature should not delegate

to the Lieutenant Governor in Council or to anyone else authority to create prohibitions in regulations. Prohibitions should be provided for in the act where they can be scrutinized and debated in the House and its committees."

"11. That this committee be empowered to sit between sessions of the House."

Part two of the report deals with our examination of all regulations filed during the first four months of 1981, some 241 in number. Of this number we found only 13 that, in our opinion, were irregular in some respects and which we felt necessary to bring to the attention of the House.

As our order of reference requires, our counsel discussed each of these 13 questionable regulations with the registrar of regulations and then with the legal officers in the various ministries concerned. In addition, as chairman of the committee, I wrote each of these ministries responsible for these regulations pointing out the committee's views and comments.

In due course replies came from most of the ministers. Some agreed with the views of the committee, others were noncommittal and still others disagreed in whole or in part with the comments of the committee. As time permitted, the ministers' opinions were incorporated in the report in order, in all fairness, to indicate the different views that did in fact exist.

The committee, as did its predecessor, takes the view that where doubt exists or differences of opinion prevail as to any alleged irregularity with respect to a regulation, appropriate immediate action should be taken at the first opportunity to remove all doubts. The committee recommends that this principle be followed in the ministries and agencies of government.

Another matter of concern to the committee was the regulations that were given retroactive effect without any statutory authority for so doing. It should be pointed out that the regulations to which this criticism applies did confer or bestow benefits of one kind or another and certainly none of them affects the rights or privileges of people in any kind or way. Nevertheless the committee reiterates the position taken in the seven previous reports and which was enshrined in the guidelines adopted by this

House in December of 1979. It reads, "Regulations should not have any retroactive effect unless clearly authorized by statute."

Perhaps members will permit me to add that it appears the committee's work in this field is having a positive effect as statistics show that the number of contraventions of this guideline are fewer and fewer as time goes by.

Another recommendation of the report now before the House for adoption is that section 22 of the Interpretation Act be moved to a more appropriate place in the statute. It reads:

"The Lieutenant Governor in Council may make regulations for the due enforcement and carrying into effect of any act of the Legislature and, where there is no provision in the act, may prescribe forms and may fix fees to be charged by all officers and persons by whom anything is required to be done."

Obviously this old provision has nothing whatsoever to do with interpretation and is lost in its present position in the statutes. The committee feels that probably the proper place in the statute books would be the Regulations Act itself.

I submit on behalf of the committee that the report now under debate should be adopted. In closing, I should like to tell the House it is the intention of the committee this winter to make a study in depth, as is being done in other jurisdictions, of the controversial subject known as notice and comment. As stated on page 26 of the report, we would welcome any input that anyone inside or outside the House would care to make on this topic.

Mr. MacDonald: Mr. Chairman, one of the problems I have never resolved in life is how to be in two places at the same time. My initial obligation is to be at the Agriculture and Food estimates in the resources committee, but I do want to say a few words on this and I express my appreciation to the member for Brant-Oxford-Norfolk (Mr. Nixon) for allowing me to say a few words on this before I go back to my primary obligation.

8:10 p.m.

This is not the sexiest committee in the world or the sexiest committee in the Ontario Legislature. However, I want to suggest seriously that it is in its own way, in its full job, one of the most important committees. Not only do I not object to being a member, I even desire to be one.

In my recollection over the last quarter century or more, one of the things we have discussed so many times is the problem of how

one gets an appropriate balance between an act passed to lay down the general framework of a statute and the regulations that are going to be used to implement it. There has been a tendency in the past to view the act as a skeleton while the real flesh on the skeleton was in the regulations. The longer we have lived with that kind of situation the more we have realized that it is a denial of the right of the Legislature to review the powers that are given in the act and to lay down clearly what exercise of powers beyond that should be permitted in the regulations. I think we have made some measure of progress in that; however, the problem still exists.

One point I would like to make in connection with this committee—and it is a point I would make in connection with any committee in this Legislature, standing or select—is that, for reasons which are readily apparent, a committee is only as effective as the staff who are assigned to it. That is not a derogation of the honourable members who are the jury on the committee and who presumably make their report to this House.

If there ever was a case in which the real work of the committee has to be done by the staff—and it is impossible to suggest that it should be done by members of this Legislature who happen to be members of that committee—it is this committee. There are something in excess of a thousand regulations a year. To suggest that any member of this Legislature is going to sit down, read through all those regulations and comprehend them is asking the impossible. We have too much on our platter.

One of the things that makes this committee a very effective one is that we have as our sole staff member Lachlan MacTavish, a former senior legislative counsel to the Legislature, who was involved many times in his public career in the framing of legislation and things of that nature. Mr. MacTavish is the person who does the joe work, if I may describe it so ungraciously. It is he who goes through a thousand regulations, God help him, and comes to a conclusion as to which of them are in violation of the prescribed rules we have laid down. He brings them to the committee, and we have to accept his judgement. We have neither the capacity nor the willingness, to put it bluntly, to go back and find out whether he is exactly correct.

Perhaps I can illustrate the point briefly. On page i of the report, in regard to the order of

reference for this committee, it states that the committee has to adhere to the following guidelines:

"(a) Regulations should not contain provisions initiating new policy, but should be confined to details to give effect to the policy established by the statute." In other words, the regulation has to live within the framework of the statute; if it goes beyond it, it is going beyond its legitimate role.

"(b) Regulations should be in strict accordance with the statute conferring of power, particularly concerning personal liberties.

"(c) Regulations should be expressed in precise and unambiguous language."

That sounds like a motherhood statement, but too often they are not in the most unambiguous language; or, to put it more accurately, the lawyers discover afterwards that there are alternative interpretations and we get into a great argument.

The main function of the committee, with the staff of the committee, Lachlan MacTavish, doing the basic groundwork, is to examine closely each regulation and ask: "Is it living within the framework of that statute? Is it going beyond what the regulation should do?" If it is, he brings it to our attention. Indeed, to put it more accurately, he discusses with the ministry and the legal people in that ministry whether or why they have gone to where they appear to have reached the legitimate role of a regulation. Sometimes they concede it, sometimes they argue the point.

That is where one gets into ambiguous legal interpretation of the regulation. If he finds he cannot get acceptance from the minister, or even when he does not and he reports it to us, then we report it to the House and we hope we can persuade the ministry not to continue to err in the fashion it has in the past.

But when one stops to realize that we pass maybe 100 statutes in this Legislature—for purposes of my illustration I take the figure of 100—which form the law of the province, what most people do not realize is that the effective law of the province may be in the thousands of regulations that are promulgated within the framework of that legislation. Those promulgated regulations have compelling legal effects. They affect the lives of people. They affect their capacity in the work place. They affect their capacity to earn a living. They are, in effect, the law. They are the flesh on the skeleton that is set down in the statute.

So this extra-legal, extra-statutory role of

regulations is an extremely important aspect of any Legislature's operation. That is why this committee may be perceived to be a fundamentally important one, though in our normal operations it is not the sexiest one in the world.

Having said that, I do not want to repeat what the chairman of the committee has indicated, that the committee has completed the last quarter of the year 1980 whose basic material became available to us only this spring, and has gone forward to deal with the first two quarters of this year in terms of the regulations that have passed. We are a continuing committee that picks up from the last Legislature even though this committee has only two members who are holdovers, so to speak, from the last committee. They are the member for Fort William (Mr. Hennessy) and myself, an inimitable pair. We are continuing the ongoing role of the committee.

The only other point I would like to mention is that, apart from what might be described as the routine work of the committee in reviewing these regulations and making certain they are promulgated within the framework of the law, the power set down in the statute, alternatively we challenge whether the statute has given powers that are really irregular and undesirable in the regulation that should be taken back into the statute. If members read the detail of some of the specific instances the committee is reporting to them, they will find there are some of them there.

We are now moving beyond that to how we might improve the situation. I want to do it in the context, if I may, of a comment that I have no particular objection to, although I always hesitate to suggest that this government is doing everything as near to perfectly as possible. On page two you will find the statement: "We now wish to take this first opportunity to set the record straight by stating the committee believes that the system in Ontario"—that is the system with regard to regulations and how we handle it—"as it operates from day to day and from year to year is as efficient and as effective as that of any other jurisdiction anywhere of which we have knowledge."

As far as I know, that is an accurate statement. However, like everything else, even the best operating scheme is open to some improvement. That is what the committee has indicated it is now working on.

We are concerned, for example, with the promulgation of new regulations in the Ontario Gazette, which have had explanatory notes that

often were not very explanatory. They may be explanatory to a lawyer, although, quite frankly, a lawyer can be bamboozled as easily as the average citizen, particularly if he is in charge of freedom of information, like my smiling colleague across the way.

8:20 p.m.

Certainly from the average citizen's point of view, if one does not have an explanatory note which indicates what the substance of the regulation is, one is not being very revealing. We think there can be improvements there. We have looked at the thing, examined it and come to tentative conclusions. We have deferred our definitive conclusions until we can have a report from Mr. Bill Anderson, the registrar of regulations in Ontario.

However, as the chairman of the committee has indicated, the area about which we are most concerned is the area of notice and comment. If the government is contemplating bringing in a regulation, how does one let those who might be affected—let me put it more vigorously, victimized by that proposed regulation—know in advance so they can have an input and the regulation can be made as appropriate and as effective as possible without unwitting victimization or unwitting negative consequences?

There has been a great deal of argument as to how one provides notice and comment. One can advertise in the Ontario Gazette or one can advertise in various other ways. I suppose those who happen to read the publication at a given time will learn about it. But a great number of people who later will be affected do not learn about it. I suppose if one had the most perfect situation in the world in terms of advance notice and comment, one still would have some people who for legitimate or illegitimate reasons do not learn about it and later become victimized.

It is a tough area to come to a conclusion about for an improvement of the act. I am a little puzzled. I have not had a chance to discuss this with the chairman of the committee. I think the proposition was: Dare I suggest we are proposing to travel, not to southeast Asia, not to Florida, not to Inuvik, but to Ottawa. To Ottawa! Does that not shatter one? We are proposing to travel to Ottawa to meet with our counterparts in the House of Commons who are coping with exactly the same problem of more effective notice and comment.

I assume we will learn when we have our first meeting during this session, next week, that perhaps we will have that meeting with our counterparts in Ottawa to be able to get the

benefit of their experience. They have been wrestling with this problem for some time, for more time than we have. Hopefully, next year we will be able to come back with proposals for improvements in a system which is as good as anywhere else but—dare I suggest it?—is open to improvement. Mr. Speaker, I am glad to have been able to complete my remarks without you chopping me down.

Mr. Nixon: Mr. Speaker, I believe the member for York South is the only member of this honourable House who could make this report sexy and even he failed.

Mr. MacDonald: It wasn't even an attempt to make it sexy.

Mr. Nixon: I have been worrying a lot about more effective notice and comment and I feel rather badly that the honourable member is leaving the chamber just when I am about to unload my view. However, I do not want to detain him because, having been here for a number of years, I am one of those people who has always been told by my seniors and by my betters—and there are quite a few of both of those—how important this committee is.

I have always been told it is the cornerstone of democracy and that all else would fall if its function were in any way constrained or restricted. I have yet to find any single thing they have done that has been worth a damn. I do not often use that word here but, with great respect, it is the only one that applies.

The only bright thing that was done by some previous chairman, undoubtedly the member for Oriole (Mr. Williams), was to retain Lachlan R. MacTavish, QC, to do all the work. If one can imagine retiring as legislative counsel from this chamber and taking as one's main avocation— notwithstanding it would be enough to buy the gas to drive down, no doubt—to take this as a retirement hobby indicates the fabulous capacities of the gentleman under discussion.

I doubt if any member of the committee has read the report. Here I am discussing it and I have not read it. I do not really think it matters whether anybody has read it or not.

In my view, if the 125,000 bureaucrats working for the government were to promulgate a regulation that was duly registered and then gazetted and applied to some group out in the province and that group did not like it, we would hear it much faster than we would ever hear of it in this report or the subsequent reports that undoubtedly will be placed on our desks and those of our successors on into the distant future.

I have no complaint at all with the intentions of the House and the honourable members who have the great joy of responding to those intentions but I, as a House leader, am very hesitant indeed to ask my colleagues to serve on the committee. If there is some chance of going to Australia, maybe that would be a justification. I suppose, God help us, for some people here, the idea of travelling to Ottawa is enough to allow their name to stand, whether or not they attend the meetings.

I personally read the Ontario Gazette as it comes into my home. Sometimes it comes two or three times a week in that fancy packaging that a former Premier's former executive assistant dreamed up after he was demoted to be the Queen's most excellent printer. I mean the printer to Her Queen's Most Excellent Majesty, as the job once was called.

I always leaf through it. I look at the corporation announcements, read through the numbers very carefully and see how high they are getting. I like to read the change-of-name notices. It is always quite interesting and sometimes amusing. I mean what could be funnier than the name Nixon, but other people also have funny names.

I look at the possible tax land sales in Brant and Brantford, as I know does the previous member for Brantford. He has made a few purchases recently. I look to see if there is anything going cheaply up in Muskoka and there never is. Eventually, I get to the regulations in the back.

There are always pages of regulations under the Planning Act which just could not be more boring, or I suppose more important to those people who are having to do with the development of land and so on. Those people hire a lot of high priced lawyers and they examine those regulations minutely and if they impinge on them in any negative way we will hear about it. If the bureaucrats make a little mistake and it is to the advantage of the developers or others, I am sure we would not hear about it until it gets to us from another source.

I am sure the work that Duke MacTavish does in reviewing the regulations is outstanding, world class; probably the best that can be done anywhere. I have no doubt about that, having observed the honourable gentleman. He is honourable, really honourable, not just by sort of act of Legislature and custom. When he occupied the position where he is sitting now—perhaps I would not be so glowing in my praise if I did not see him in the shadows; no, that is not

true either—he did excellent service here and I am sure is doing excellent service for the committee.

My own view is that I cannot see the value of having this report before us. I was here for many years when we did not have one and there were many members, including I believe the member for York South, who said we should have one. Now we have one, I do not feel that democracy is any safer than it was before.

I should just say in my reference to the member for York South that he has the most amazing personal energy of anyone I have met. That he could throw himself into the work of that committee and find it interesting—to himself, if not to anyone else—is a clear indication of what I mean. I have never seen him grasp any subject of the most catholic type, if members know what I mean, without being completely enthused about it and perfectly knowledgeable and extremely supportive of its intent. I can say that now that he is sort of a senior citizen.

I suppose anybody who is in the NDP must have that. I do not want to be in any way disparaging of the work of my colleagues in this committee, because we as a House have decided it is important, but I for one do not agree. I think we ought to save some time and some money and some wear and tear around here and do away with the committee, even if we retain Mr. MacTavish, QC, as sort of our own little Ombudsman to keep his eye on the regulations.

He could give us a report every year. We will get him a nice office somewhere and we will buy him the gas for the limousine he may or may not still drive, I do not know—he always used to have a nice car—and he can give us one of these things, and if there is anything in it he can phone up the member for York South or me or somebody and say, "Listen, you had better look at page 32, because there is a real blockbuster in there." That is all the protection we need, besides the kind of open approach to regulations that we have: they are printed, they are distributed, they affect people and those people can respond to us, and you know that we will respond to the people.

8:30 p.m.

Hon Mr. McCaffrey: Mr. Speaker, after that very pleasant and enjoyable speech—and I share a lot of the sentiments in it—I am not going to try to get too serious, but I would like to explain briefly why I am speaking tonight on this.

In our last Parliament I was, briefly, a member of the standing—

Mr. Stokes: If the minister has to explain why he is speaking, he probably should not.

Hon. Mr. McCaffrey: The member should just listen to this and then he will understand not only why I am explaining it, but why I am reluctant to carry on.

In the last Parliament I had the brief pleasure of being a member of the standing committee on regulations and other statutory instruments along with our colleague the Deputy Speaker (Mr. Cureatz). The committee then met every Thursday morning, and he and I used to alternate, each of us attending every second Thursday, and he occasionally used to try to skip out of his end of the bargain. The two or three meetings I attended in all of the last Parliament were not among the highlights of those four years. But I certainly want to join those who expressed their compliments to Mr. MacTavish, whose work I admire even if I could not begin to duplicate it.

But more to the point, I am speaking on this tonight as chairman of the regulations committee of cabinet, and I would like briefly to do two things: explain how that committee operates, because I think there are a goodly number of members of this assembly who do not understand the workings of that committee, and, further, explain the relationship, such as it is, between the regulations committee of cabinet and the standing committee whose report we are debating tonight.

I would first of all like to compliment the new chairman of the standing committee on his first work in the early spring session, bringing in this report, in his opening comments tonight. I know how much work the former chairman of the standing committee, my colleague the member for Oriole, did in the last four or five years, actually; and while I am not a lawyer and have had pretty light attendance, as I admitted, I know from Mr. MacTavish and other counsel in the building how much that committee did accomplish.

The regulations committee of cabinet is chaired by me, a Minister without Portfolio. It has in the past been chaired by other ministers, though not always Ministers without Portfolio. The members of that committee are the parliamentary assistants. As the members know, we now have approximately 20 parliamentary assistants, the bulk of whom are new members of our caucus.

Mr. Stokes: So that is what they do. I often wondered.

Hon. Mr. McCaffrey: Well, that is one of the things they do. I cannot account for their hectic schedules seven days a week, but I know that

every Tuesday from noon until two o'clock the parliamentary assistants and I meet in this building and, with the assistance of our staff and the attendance of the ministry officials whose regulation is being looked at by us, we scrutinize the regulation and we pay particular attention to matters that were discussed earlier: retroactivity and clarity of language.

Quite honestly I think we spend even more of our time asking: "Is this regulation even necessary? Who wants it? Who in the public is affected by it?" I am proud to say those are consistent kinds of questions that come from my colleagues the parliamentary assistants. I guess everybody's experience on this side of the House has been that it is easier to talk about deregulation than to do much about it. But when we talk about deregulation we none the less, through persistent questioning of that nature—"Is this regulation required? Who is affected by it?"—have been instrumental in beginning to alter the trend towards increasing the number of regulations that affect us in society.

Let me give one or two statistics here to make my point. Of 1,141 regulations filed in 1980 only 39 of them have been singled out for mention by the standing committee. In other words, the overwhelming bulk, 97 per cent, of the regulations passed by the regulations committee of cabinet, after scrutiny by a counsel and the standing committee, were gone over and approved without comment.

The number of regulations filed has decreased quite dramatically. I will go over two years. The total regulations filed from January 1980 to January 1981 were down 26 per cent. The absolute number for the period from January to September 1981 is still a high one, 359 regulations passed by our committee, but is down from 488 or 26 per cent. I think this trend is an important one and the desire to keep that trend down would be shared by my parliamentary colleagues on that committee.

The government is continuing its efforts. We will hear later on from the committee that will speak about the agencies, boards and commissions report. The government is continuing its efforts to revise and simplify regulatory procedures and to eliminate regulations where possible.

To take one recent example which I think was within the last couple of Tuesdays, a large part of our agenda was spent with the matter of record retention. For some time now, with the assistance of staff from the Management Board

of Cabinet at our regulations committee, there has been a major attempt to clarify each of the ministries and, more important, to clarify for our client group, the taxpaying public, how long records should be retained. We have begun to make what will be a series of important changes in this area.

The matter of retroactivity and its importance has been touched on. I am not a lawyer but I do recognize a regulation is an inferior instrument, inferior or junior to a piece of legislation. It cannot take away that which has earlier been given. We talked about the matter of clarity of language.

I was interested to hear the member for Parry Sound talk about their fall and winter program. I know they have a number of matters other than just sifting through the regulations we pass which they are going to cope with. On the matter of notice and comment, I have spoken to the member for Parry Sound briefly about that in the past. There is a question about positive and negative resolutions. That may be one excuse for them to travel to Ottawa where there are discussions about that as it affects regulations.

I would say a couple of things in closing. The members of the regulations committee of cabinet respect the work this standing committee has done. We know that, among other things, they are monitoring us, as it should be. We look forward to their fall and winter study and their next report.

The chairman of that standing committee is welcome at any time to attend our Tuesday meetings. I would hope if time permits during this session and the standing committee's agenda would allow, as chairman of the regulations committee of cabinet I would be delighted to sit in on any of the meetings. I also would be delighted to explore further with the member for Parry Sound what relationships might exist between our two committees in the interests of getting off the public's back, reducing the number of regulations we have and, at the very least, working towards more clarity in the language of the regulations.

Mr. Williams: Mr. Speaker, I appreciate the opportunity to participate in the discussion on a subject I think is of considerable import to this House, notwithstanding the differing views expressed by the member for Brant-Oxford-Norfolk. It was indeed interesting to hear the differing views and attitudes between the expressions of opinion put forward by the member for York South and the aforesaid member for Brant-Oxford-Norfolk.

The views expressed by the member for York South were opinions based on actual participation in the regulatory process and were meaningful and, I think, informed comment, highlighting the really unrecognized importance of the regulatory process.

8:40 p.m.

By contrast, we had the views expressed by the member for Brant-Oxford-Norfolk acknowledging that he really did not understand the process and that he had not really been involved in it. He gave credit to those members of the Legislature who had participated on the committee as though it was some sort of drudgery or burden to them, and commended them for their staying power.

He really saw no need for the existence of such a committee or the process which it endeavours to fulfil. I detected in his comments a bit of levity and a certain amount of scorn and ridicule with regard to the process. However I think if one is going to address the subject seriously he can do so by taking heed of the views that have been expressed by one of the working members of the committee other than myself—the aforesaid member for York South. He endeavoured to awaken the interests of the members of the Legislature this evening by using the terms referred to by the member for Lake Nipigon (Mr. Stokes).

Though it may not be the most exciting responsibility, I have to concur wholeheartedly with the opening observation of the member for York South that it is one of the most important areas of responsibility and yet one of the most unrecognized functions of this Legislative Assembly and its members.

I guess that is the reason why the regulatory process is always referred to as the area of secondary legislation. It takes a back seat to the statute laws that are enacted, that establish the policy of the land. That policy is only for stating a principle of how the public shall be governed under these laws that are established. The actual administrative ways and means of making those policies work are really the nuts and bolts of the whole process.

Without the regulatory process, it would be totally an impractical process. While we can set out in the laws what the order of society shall be and that these laws should be respected by the people there has to be some guidance given to determine exactly how these laws can be administered as they relate to the people and the people relate to those laws.

This is what is so important, as was I think

expressed by the member for York South. It is really the flesh on the bones of these statute laws themselves. It is unfortunate that too many members of the Legislature do pay nothing more than lip service to the process and to the importance of the secondary legislation commonly known as the regulation.

What I find of interest is that in the process we are really looking at two things within our own jurisdiction at this time. One is to bring ourselves to a position of having complete control of the situation—knowing where we are with regard to regulations and being satisfied that regulations that have been enacted are consistent with the ground rules laid down by an earlier committee, on which I had the privilege of serving as chairman.

As has been referred to by speakers before me, a great deal of that credit goes to one gentleman, Mr. Lachlan MacTavish, who has served as counsel to the committee and who really has been the moving force in terms of dealing with that aspect of the work of the committee that relates to the vetting of the regulations.

When I was appointed chairman of the committee back in 1978, we were faced with the matter of getting a handle on regulations and being assured the regulations already in force and in effect were serving the purpose and were within the intended, albeit unpublished or informal, guidelines at that time.

A certain disarray at that time existed simply because, as has been pointed out by others, the sheer volume of regulations made it a physical impossibility, given the other heavy responsibilities and work load of elected members of the Legislature, for them collectively to go through each and every regulation, to sift through them and satisfy themselves that the guidelines were being clearly followed.

A new process had to be developed, and in 1978 the conventional wisdom was that we must have qualified counsel to assist the committee in the process of vetting the regulations. The idea was that that party would then bring to the attention of the committee those regulations that justified being singled out for consideration regarding their compliance with what was the appropriate type of regulation, given the informal guidelines that existed at that time.

I too have to add to the accolades bestowed on Mr. MacTavish in the excellent work he has done in dealing with that aspect of the ongoing work of the committee. From the time we

started back in 1978 he had that responsibility of going back many months to try to pull together the regulations and start the vetting process.

Now, as we come to the report we are discussing this evening, the first report for 1981, one could not be more up to date in the vetting process as to the awareness that the members of the committee would have with regard to any discrepancies or failings in the regulations. The report clearly points out that it addresses itself to the regulations right up to and including the first four months of 1981.

In other words, through the efforts of Mr. MacTavish—and there is no question it is a very laborious, time-consuming process—through his diligence, hard work and dedication, he brought us right up to date. Neither he nor the committee could be more current in its reporting than it is in this report—in effect, making recommendations with regard to regulations hot off the press.

8:50 p.m.

Mr. Cureatz: I could not help hearing some comments over the squawk box made by the illustrious Minister without Portfolio (Mr. McCaffrey) indicating my lack of attendance on this wonderful committee. I want to point out that as a member of that committee for three full, long, hard years, from about 1978 to 1981, the only time I ever saw the minister there was when he would wander in, eat a package of sesame snaps and then leave. I just want the record corrected on that point.

Mr. Williams: Concluding on that point, I am delighted to see the committee is as current as it can be with regard to the vetting process. I am satisfied the activities of our committee are at as high a level as one will find in any comparable committee in any other democratic jurisdiction. I can say that with some authority, having had the opportunity to participate in the first Commonwealth conference of delegated legislation committees that was held last year in Canberra, Australia.

At that time, I had an opportunity to prepare a paper indicating the position of the regulations committee of Ontario and to set out its historical evolvement, its current ongoing work and the directions in which we appear to be moving in this field in Ontario. I had an opportunity at that time not only to present that paper, but also to supplement it with additional remarks during the sessions. I came back from the conference much more aware and even more appreciative of the importance of the

regulatory process after having been exposed to the experiences recounted by other delegates to the conference from other Commonwealth countries.

There was excellent representation at the conference. It was a most productive conference. There were representatives there from the Australian government and all its states and territories. There were representatives from the federal government of Canada, as well as myself as chairman of the committee representing Ontario and the chairman from the comparable committee in Saskatchewan. In addition, there was representation from Commonwealth countries in other parts of the world such as Guyana, India, Papua, New Guinea, Zambia and, of course, the United Kingdom. Each and every one of those countries was well represented and actively participated in this first conference of its kind. I think it was important it was a successful conference as it was the first of its kind. It was a most productive and enlightening conference.

I would hope the committee in its ongoing work will have an opportunity to review the transcripts of the proceedings and the report of the conference, as well as the supporting documentation that was filed, including the written briefs from the different jurisdictions. It became clear to me, as I indicated, that nowhere is there a more active committee than the one in Ontario. Not many of us in the Legislature today remember that in earlier years we reached a point of slackening interest in the process and some scepticism about the value of the committee and its ongoing work as was expressed here earlier this evening by one of the members, to whom I referred.

It would be a sorry day if the work of the committee and the committee itself were disbanded, as was suggested. I am sure it was with a certain amount of levity and tongue-in-cheek that the member for Brant-Oxford-Norfolk made that observation. But it would impair the important role of assuring the public at large we do have a secondary legislation practice in place and in good health.

The member for York South mentioned that the committee is planning to go to Ottawa to meet again with their federal counterparts. I say "again," because during my tenure of office as chairman of the committee we did make that long trek to Ottawa. On that occasion the meeting, albeit only a one-day meeting, was most productive and informative. It is appropriate that the committee again will visit with its

counterparts in Ottawa because, as the members of the committee will know, in 1980 the federal committee tabled its fourth report. The statutory instruments committee of the federal Parliament tabled a very substantial report on the process and has come forward with some recommendations. They are not revolutionary but nevertheless are recommendations that are going to be the very subject matter of the ongoing discussions of our own committee.

The report tabled in 1980 was discussed at some length at the Commonwealth conference in Australia. It makes recommendations with regard to the notice and comment procedure as well as to the matter of positive and negative resolution process.

There have been different points of view expressed by authorities as to the value of those procedures. Most recently one of our own committees in Ontario, the committee that was set up to study freedom of information and privacy of the individual, dedicated a whole chapter to this important topic. The conclusion of that report was different from the recommendations of the federal committee—that the notice and comment procedure may have merit if used on a selective basis rather than on a universal basis. So here again we have differing views.

I am sure the committee will be giving high priority, as indicated in its conclusions, to this process to determine once and for all whether, within the context of the operation of this assembly and the committee process as set out in the Regulations Act, changes should be made incorporating any or all of those procedures. I think that will probably be one of the most important reports that will come down from the committee when they come forward with their recommendations in that regard.

9 p.m.

When I was chairman of the committee some discussion was held as to whether or not there was any advantage in having a committee such as this deal with regulations after they have been enacted and have come legally into force. It was because the committee seemed to be dealing with regulations after the fact that interest in the whole process waned.

I think it has become clear because of a new awareness and a heightening of interest in the process, at least from the public at large, that the committee has not found itself inundated with representations from the public dealing with regulations they feel have improperly affected their personal rights and privileges in

society. Nevertheless we have had occasions where the public has had an opportunity to come before the committee to discuss regulations.

One of the matters that was under active consideration by the committee while I was there and is under active consideration by the current committee is the notion that thought should even be given to broadening the base on which the public has access to government to complain about specific regulations. It was suggested during my days on the committee that perhaps the committee should be given the authority to sit around the clock, so to speak—at least at the call of the chair between sessions of the Legislature when it normally would not be sitting—to deal with urgent complaints. This is a matter to which the committee is addressing itself as well.

When I was chairing the committee we wondered what was happening at the other end of the spectrum—that is, where the regulations are considered before they come into legal effect, what happens in the regulations committee of cabinet.

Again, having by now been at both ends of the process and having had the opportunity to participate in the regulatory process in that committee of cabinet, I can see it from that perspective. My feelings about the soundness of the system have been reinforced by what I found from my involvement in the process of making a regulation and sending it forward so that it can be duly enacted into law. In my mind it does not in any way diminish the process or the importance of having the standing regulations committee at the other end to take even that second look after the fact.

Although we do go through the proposed regulations in considerable detail and with a fine-tooth comb in the cabinet committee on regulations, there is nevertheless the possibility that something could escape our attention and that of our legal counsel.

Unfortunately, it so often happens the thing that may be overlooked comes to the attention of the government and of the regulations committee only when some citizen finds he has been aggrieved by a certain form or administrative procedure prescribed by regulation.

Without the opportunity to voice these objections and concerns, citizens are blocked from the opportunity to seek redress on a matter they feel was not the intention of the law and to come forward to the elected people, through this

forum, to draw this to the attention of the legislators in the hope that corrective measures can be taken.

This is the very important function and purpose of the committee: to be able to report back to the House and to the ministry responsible for having developed the regulations and the statute law under which the regulations are contained.

This is a most important consideration, that the committee remain in place and, if at all possible, broaden its base and the ground rules under which it makes itself available to the public at large.

I am certainly looking forward to, and will follow with interest, the ongoing work of the committee. I hope the attitudes of the members of the Legislature as a whole, beyond those of the members of the committee, will be related more to the attitudes expressed by the member for York South this evening, rather than to those of the member for Brant-Oxford-Norfolk.

In concluding, I simply want to say that the delegates at the Commonwealth conference in Australia were impressed with the fact that we had this dual process, so to speak, whereby the regulations are considered in detail by the legislators themselves in committee, not only before they are processed by the regulations people but also in having this second look at it through the standing committee process. I believe we were unique in that regard, and it certainly raised a lot of interest amongst the delegates.

We have a lot to be proud of with regard to our process here, with regard to the quality of the workmanship that goes into the regulations, with regard to the efforts of Lachlan MacTavish and his advice to the committee and with regard to the work of the committee members as a whole. I hope there will be strong, continuing support from all sides of the Legislature with regard to the ongoing work of the committee.

Mr. Haggerty: Mr. Speaker, as a member of the committee, I want to add a few words and comments regarding the report.

I listened to the member for Brant-Oxford-Norfolk (Mr. Nixon), and he certainly did bring out some points concerning the effectiveness of this committee. As a member of that committee, I have often asked myself what the purpose of this committee is.

The previous speaker led me to believe that we in the committee do have some powers relating to the process of establishing regulations. I find that not to be so. We have very little

say in the matter of drafting any regulations that come forward and are advertised in the Ontario Gazette.

We may question, six months or a year after they are published, certain regulations brought to our attention by our excellent legal staff, and we take it from there to draw a judgement on it as to whether it is within the laws of this Legislature.

If I can make reference to the report of the committee, I will give an example of what the committee reviews. This appears on page eight of the report. It deals with a regulation from the Ministry of Labour, regulation 1083/80 under the Occupational Health and Safety Act, 1978:

"This regulation is a ministerial order adopting a certain inventory of biological or chemical agents for the purpose of section 21 of the act.

"The authority for making such an order appears to be subsection 2(3) of the act. It reads:

"(3) For the purposes of this section, 'new biological or chemical agents or combination of such agents' means any such agent or combination of such such agents other than those used in one or more work places and included in an inventory compiled or adopted by the ministry."

"This authority, if that indeed is what it is, is somewhat obscure and can be criticized in that respect.

"However, the committee wishes to bring to the attention of the ministry and the House that the 'authority' forms part of a definition and clearly the language is descriptive only. It does not authorize anyone to do anything. The instances of this kind are, regrettably, common and have been elaborated upon in earlier reports.

9:10 p.m.

What the committee does is review the regulations. If one were to read the regulations that are sent to almost every member of the Legislature, I am sure one would find it hard to follow some of those printed, because they go by certain numbers.

As an example, I mentioned Ontario regulation 1083/80. Then one can go on and have another one, regulation 1075/81 or regulation 1080/81 or something like that. It is advertised in the Ontario Gazette and gives the amendments or the new regulations that may apply or change that, but the average citizen reading that report could not understand what the intent is of that particular regulation or the amendment to it.

Hon. Mr. Snow: Policy.

Mr. Haggerty: If it is policy by regulation, then it is outdated, because the policy should be established in the Legislature and not by regulation. I think there is a lesson to be learned from the Americans. When they set up government legislation, much of the policy as it is put into the act or the legislation is clearly understood by the public, not as it is drafted here in the Legislature, because it certainly does take a legal mind to interpret the act itself and the regulations that follow.

Sometimes it is rather disappointing to the general public that they have to go through such a troublesome process, to hire a lawyer to find out the interpretation of the act and the regulations that follow.

As a member of that committee, I myself find that perhaps too much power is given to the Lieutenant Governor in Council, that they can designate what they believe is the interpretation of the act by regulations. I think it is time the Legislature brought in legislation that is clearly understood by the average citizen of this province without going through some legal mind.

The old saying is, "The Legislature is actually geared to the lawyers of this province," and I am sure my colleague the member for Owen Sound (Mr. Sargent) would bear that out tonight, saying it is in a sense a lawyer's field day. How long would the minister say I have been in the Legislature now? He is going to say, "Too long."

Hon. Mr. Snow: Fourteen years.

Mr. Haggerty: Yes. The class of 1967; 14 years, five days and something.

Hon. Mr. Snow: That's too long.

Mr. Haggerty: Too long? We will retire at the same time then.

I suggest that it is time the committee came in with a recommendation that somebody follow those recommendations to make these changes. I have looked at some of the committee's reports from four or five years ago, and they are still making recommendations that whoever prepares the regulations and whoever approves them should be looking at some of these recommendations at least to improve it. But apparently that does not come through. I find out tonight that this is what the Minister without Portfolio does. He approves the regulations.

The minister stands up and invites the chairman in, saying, "If you want to come in and have some input into the formation of these regulations, we will be delighted to have you come." It should be open to all the committee members. Perhaps we might find it more interesting and

we might have input, as members of the Legislature should have, to statutes and regulations.

We may have a little input in the area of statutes, but not in regulations. I think sometimes the power is vested too much in the bureaucrats, as is commonly known to the chamber; there is too much power in that area. The subordinate Legislature, I guess is the term I am looking for.

Mr. Justice McRuer's report suggested there is too much power delegated to the subordinate Legislature of Ontario. That is the point that I am concerned about, and I can see it taking place. It is well to have them there to advise the committee on regulations, new statutes or amendments to the statutes and so on, but not to give them that power.

That is one of the things my colleague the member for Brant-Oxford-Norfolk was trying to put forward, that there are not enough check valves in the system currently unless it is referred back and power is given to the Legislature itself to make the regulations. I suggest that this is the area we should be looking at.

Mr. Kerr: I have just a few words to say, Mr. Speaker. In the discussion of this report, I have become aware of some of the remarks of the member for Brant-Oxford-Norfolk. He is attempting by his remarks, I think, to bring the report to a head. In other words, he is implying that every year there are a number of recommendations and that, for the most part, those recommendations are ignored.

Looking at the report that is before us, I see that six agencies were reviewed, which are set out in this report. I think most of the recommendations are excellent.

Mr. Breaugh: On a point of order, Mr. Speaker: I suggest that something is slightly out of order, since the honourable member is discussing a report that is not yet before the House. Maybe we could call the next order.

Mr. Kerr: What are we discussing?

The Deputy Speaker: Are there no further members to discuss the report on the standing committee on regulations and statutory instruments?

Report adopted.

STANDING COMMITTEE ON PROCEDURAL AFFAIRS (continued)

Resuming the adjourned debate on the motion

for adoption of the third report of the standing committee on procedural affairs re: agencies, boards and commissions.

Mr. Kerr: Mr. Speaker, the third report on agencies, boards and commissions dealt with approximately six different agencies. I hope most of the members have read these reports, although they are fairly brief in dealing with some agencies that are substantially involved in the governing process of Ontario and are spending a great deal of money in their respective activities.

As all members know, this is an all-party committee, which is holding rather lengthy hearings and is listening to the representations that are made to the committee by the various agencies. Subsequently, discussions go on between the members of the committee and recommendations are made that are included in this report.

I do not want to deal either pro or con with particular recommendations. But I think it is important that the recommendations themselves be considered very seriously by the House and by those ministries and ministers to which they are directed.

For example, the Ontario Educational Communications Authority: If it is the Ministry of Education that is responsible for it, I hope the recommendation dealing with OECA is seriously considered by that minister and her ministry.

9:20 p.m.

The thing that struck me about this particular report was the responses, for example, to the 1979 report. I just do not think they were adequate; I do not think the responses of the ministries that are responsible—for example, the six agencies that were considered by the committee—were adequate.

Some of the ministries replied, and some of them did not. Fortunately, the ones that did reply indicated some of the recommendations were adopted either wholly or in part. That is encouraging.

I am looking, for example, at the recommendation dealing with the Telephone Act. The minister indicated his agreement with this recommendation and cited his own initiative in reviewing the Telephone Act.

Another recommendation was that the Ontario Research Foundation should cease paying the Ontario retail sales tax. This now is unnecessary, because of a change of policy in the ministry concerned.

I am also looking at the suggestions resulting from hearing submissions made with respect to the Ontario Food Terminal Act. The response of the Minister of Agriculture and Food (Mr. Henderson) was most inadequate. As a matter of fact, there was no response at all. And if one reads the recommendations, they all make sense to anybody who knows anything about the operation of the Ontario Food Terminal.

I would tend to agree with the member for Brant-Oxford-Norfolk (Mr. Nixon) if we are going to ignore some of these recommendations. They are not facetious recommendations. It is an all-party committee; there has been some study, deliberation and consideration, not only by the members but also by staff.

I suggest that there should be some very good reason why the Minister of Agriculture and Food has not responded to the recommendations of the committee. Everything is not well with the Ontario Food Terminal. There have been rumours, and rumours of rumours for years about the operation of that particular facility. These recommendations would help.

I think it is incumbent upon the House and the Legislature to require an answer from the ministry to recommendations that are made in this particular report.

That is basically all I have to say. I think it is up to the particular ministers to reply to recommendations that apply to their ministries. The report should be much more complete than it is.

I cannot help but feel, with my limited experience on the standing committee on procedural affairs, that it is a very important committee, dealing with tribunals, agencies and boards. I do not know how many are out there, but we manage to listen to six or 10 or a dozen each year, make certain recommendations in respect of their operations and suggest changes, usually positive ones that are necessary. I think there should be a positive reaction from the ministry and from the government.

Mr. Breagh: Mr. Speaker, I want to join the debate on this committee report. First of all, because I had the pleasure of chairing the committee when this report was put together, I want to pay some attention to the people who served on it.

This procedural affairs committee was founded during the minority government; perhaps that in some way casts a reflection on the character of the committee. It did attempt, through all the time that I was chairman—and I must say that in this Parliament that tradition has continued—to

provide a forum where members of this Legislature could take off their partisan hats, go down and sit in a committee room and deal with the matter in a way that really was not divided up into three political parties.

They were members of the Legislature looking usually at things around which there were not firm party positions and all the normal barriers, just looking in this instance, for example, at agencies. I think the kind of review that was done by the committee in previous years and again this year is a most useful exercise for this Legislature.

It provides one of the few occasions when, as an opposition member, I actually feel that some of what I think is important about a given agency or way of operation gets transmitted into a report, and sometimes in a vague way, but sometimes in a little more direct way, the report causes an action to occur.

Most of us who came out of municipal politics are very accustomed to the idea that we all sit down and have differences of opinion, but none the less there is clearly a role for us to play, and what we say and what agreement and consensus we can wring out of other people on a committee will make a difference.

The procedural affairs committee has managed to capture some of that spirit in a Legislature where it is very often difficult to say exactly what a back-bench member does in any party. Do they ever cause changes to occur that really make a difference?

The other thing I want to say before I get into my remarks tonight is that we have only one researcher on this committee, a fellow by the name of John Eichmanis.

I would like to point out to this House that I wish we had on all our committees here, and attached to more of the members here, people like John Eichmanis. He can take a rather complex research problem, such as is posed by a review of the agencies, and sort all that information out.

He is sometimes an accountant, a researcher, an auditor, someone who deals with a parliamentary committee by seeking the members' opinions and trying to reflect them when the reports are written. He also provides them with—it is not really fair to say mutual information, but certainly information that does not have a bias. There is no axe to grind in the information he presents to the committee.

John has done an excellent job for us. So did Graham White, who was clerk of the committee when this particular report was put together.

This is the third report on agencies, boards and commissions, and I think it is reasonable to say that, if we do not have a good handle on everything, at least we are now beginning to be aware of the size of the problem.

I recall, when the committee first began a review of agencies, we were unable to determine from anybody how many agencies were at work in the province, and the rough guess was somewhere between 300 and 800.

I think the number that was finally landed upon, mostly by arbitration, was somewhere around 780 agencies of different kinds working out there, all in different ways, all with different agreements between the ministries—some with no agreements, some that had been established a long time ago and nobody could really quite remember who these people were and exactly what they did.

At least we have gone through two reports that have attempted to get a little bit of order into the whole field of government agencies. We have picked up on some of the work, for example, that was done by Management Board prior to the establishment of the committee. We have caused an agency review committee to be set up on the government's side. We have heard a little noise about sunset provisions, sunset legislation and a number of other things.

The upshot of it all is that a whole area of intense government activity involving a lot of money and a lot of people in a wide variety of activities around the province has come under some scrutiny in the last three or four years.

This agency report continues the process. We did another set of reviews just before the fall session began and, frankly, I feel quite good that at least the groundwork has been laid for some sensitive and sensible review of all the agencies out there.

Most of the people, who have sat on this committee through three or four sessions now, feel there is a little bit of a response out there; that these people are now coming before the committee understanding that at least somebody cares enough to take a look, to hear what their problems are and to understand, if we can, exactly why they are there. Some interesting observations have come out of that.

I think it is reasonable to say that in this review, which does not take on a great many of the agencies, we have looked at some of the larger agencies at work in the province, and with good reason.

We found with the Ontario Educational Communications Authority, for example, that

there is an agency that is perking away, broadcasting regularly, but has some problems of its own; the agency is not able to do what it itself would like to do, sometimes for budgetary reasons and sometimes for technical reasons. We looked at that agency, the first actual major review of the agency itself.

This committee has a little bit of difficulty in saying, with one research person working part-time on the agency itself, that we have done a major review. I would like to pick up on that a bit later on.

Essentially, as members go through this review, they will see that there is one person attempting to analyse for the most part on a paper-flow basis. That is, he asks the agency some questions and they send him some information; then he visits with them and tries to get some grasp on it.

But there is no opportunity for the committee to do things like spot audits or management studies of how the thing functions. It is a rather limited form of review. None the less, for an agency like OECA, which is large both in impact on the public and reasonably large in terms of expenditure of provincial cash, it is interesting to note that it had not had this kind of inspection before.

9:30 p.m.

The recommendations, though they are not exactly world-shaking, are reasonably sensible ones. For the first time, members of the Legislature had an opportunity to voice an opinion on precisely how that agency ought to get its funds.

We made a couple of simple recommendations to take a look at some funding from the private sector and gave a little bit of encouragement to the agency to market a little more aggressively some of the very fine broadcasting material it has.

I do not pretend for a moment that will shake the world, but for an agency like this one it is useful to have the Legislature, in the form of a committee, take a look at its activities and say, "Yes, you are producing some very good broadcasting here, and we would like to encourage you to get the private sector in to provide some funding for it and to market something you have that we think is pretty good."

Members from different areas of the province who were on the committee put forward something that again is not too startling but is useful, and that is that members of this committee strongly support the notion that, if we have a broadcasting authority like OECA, it ought to be available to people throughout Ontario.

There are some technical problems in the Windsor area and throughout the north, and the OECA has attempted to provide some kind of variations to give that service to remote communities in the northern part of the province.

The committee took the position, and I think rightfully so, that if we are supposed to have an Ontario Educational Communications Authority, by its very nature from the inception it ought to have served the total population of Ontario. In this one instance, for example, there are budgetary problems. But, those notwithstanding, I think that is the goal of the communications authority, and the committee was supportive of that.

The final recommendation on OECA was something that we ran into in other areas. These agencies, particularly when they are spending large amounts of money, do not all have the same accounting format; so it is difficult, on the kind of analysis we were able to do, to answer the rhetorical question of whether they are spending public money wisely.

The format is a little different from some of the other agencies we have and, because of the research capacity of the committee, it becomes tough to make a judgement call about whether they are spending money wisely and well.

Certainly when we get into agencies that spend money at this rate, it seems reasonable to me that members of the Legislature and the public at large ought to be able to determine exactly how the public money is spent. We found we ran into a problem with OECA in that regard, and we are recommending again that we use some kind of standard accounting format that would allow this committee, other committees and the public at large to determine that question.

The second agency we looked at was the Ontario Lottery Corporation. Here is an interesting agency at work, certainly one that has changed in nature from all the stated reasons for setting up the agency in the first instance.

The committee went back over previous statements and heard a lot of testimony during the course of the hearing that this lottery corporation was set up initially as a response to all those other lottery corporations that were coming into Ontario and taking lottery money out of the province.

It was rumoured some were doing it illegally, because they had no Canadian licence to operate, such as the Irish sweepstakes. Some were quite proper lottery arrangements that

either had gone on in municipalities around the province or were province-wide or Canada-wide lotteries.

The basic premise—and we recall the statements that were made when the Ontario Lottery Corporation was set up—was not to get into the numbers racket, not to nationalize the numbers game in the province and not to generate a whole lot of new revenue for the government of Ontario.

The basic premise was a simple one: to straighten out lotteries in the province and see if some of the revenue generated from lotteries could stay here in Ontario. I dare say, though I do not recall it being stated quite this clearly, that part of the purpose of the exercise as well was to see if the government could get in the middle and start redirecting some of that lottery money.

We found that the corporation as it came before us was quite different in nature. It was very aggressive in its marketing techniques and quite sophisticated in trying to analyse who was buying lottery tickets, how many they would buy and whether changing the size of the prizes or the number of draws that were available would make people buy more lottery tickets or fewer.

Some of the members of the committee were rather shocked at the size of the contribution to the government of Ontario's coffers that came from the lottery corporation and were shocked to find that it had crept right up there next to the sale of booze in terms of providing revenue.

We made a couple of recommendations that dealt with the marketing policy, because many of us—in fact, I think it is reasonable to say, all the members—on the committee were a little taken aback that the government of Ontario was so hot and heavy into the numbers racket, and so effective at generating revenue that way, because that was certainly a long way from the original intent of the corporation. We expressed that concern again because we were not too clear as to exactly how many lotteries this lottery corporation was going to run.

We went through the testimony before the committee and considered all the very fine distinctions about whether this was a lottery where one bought a ticket on a prize or whether this was a numbers game, and we saw in some of the recent efforts by the lottery corporation that there was a very fine line there and that the original premise of buying a ticket on a prize had changed somewhat into a game format.

It was not clear to us what would prevent that

game format from being turned ever so slightly into a wheel of fortune, or a numbers racket in the truer sense, or a casino-type operation. All we could find that would offer guidance to the committee on that was a few statements by various ministers as to whether they would or would not allow casinos in Ontario. We could certainly see that the lottery corporation itself, from its early agreements and from its stated purpose of being, had changed in nature substantially; it had become a kind of force unto itself.

One other area where we found things were a little questionable was on the system that was there to distribute lottery tickets. We found a little vagueness, quite frankly, in the lottery corporation's answers on whether the rate for commissions for distributors was excessive, fair, reasonable or whatever; so we recommended that we take a little look at that.

The other interesting thing we did, in going through the lottery corporations and recognizing how much money they generate, was to ask the interesting question, "Exactly what does the government do when it disperses those funds?" There is another recommendation in here asking the Management Board of Cabinet to table in the Legislature some kind of guidelines, because we were asking the question, "What do you do with the money after you get it?" We found that the answers were a little scraggly, to be polite about it. In the first instance there were no published guidelines, and then purportedly there were some guidelines, but we were unable to ascertain precisely whether they applied to everybody.

We found some unusual dispensing of the funds. We found, for example, that some of our more established businesses were getting monies. The purpose of providing money to Bright's Wines or J. M. Schneider's meats was not particularly clear; nor was it particularly clear what their obligations were back to that sector of the economy.

For example, were they really giving to one business in the private sector a rather healthy sum of government money without saying very clearly what they had to do to earn that money? Were they giving them a competitive advantage over the other people who were in business in that particular sector? Were they asking them to do research that would then be shared by all the businesses in that sector?

Quite frankly, we were a little surprised to find that virtually none of this was public knowledge. There were certain people on our

research staff who managed to find some information about it, but when the government takes in this amount of money and then disperses it—as would be the case with my local high school band, which applied for a Wintario grant—there are rules and regulations. Members can find out what they are, and they can determine who falls in what category and what the guidelines are.

In this particular aspect of the dispersal of funds from the lottery corporation which were initially generated by the lotteries, there were no rules and regulations that were published. We are simply saying there ought to be and, if they are already in existence, simply let us know what they are.

One other area we looked at was something that is called the Board of Ophthalmic Dispensers. As members go through the reports, they will see that the committee attempted to get rid of all the language problems about what is an ophthalmic dispenser, and the report goes into some of the problems that we found there.

Some of the recommendations are a little technical in nature. We are asking that we clarify that these are opticians, or at least settle on one terminology and stick with it, and give them a specific kind of act.

We are asking the Ministry of Health to make a clear determination as to who should be made responsible for the fitting of contact lenses. We found there had been, to paraphrase it, technological changes in the field that had opened up an entire new industry, and it was not too clear precisely who should be fitting those lenses and how that whole process should work.

9:40 p.m.

We are asking the Ontario Council of Health to take a look at a study to determine the appropriateness of including the Board of Ophthalmic Dispensers within the scope of the Health Disciplines Act, which again is a little on the technical side but attempts to put its house in order.

We found there was some considerable conflict of interest, which was something we found in a number of agencies. People who were at one moment in an advisory capacity were in the next moment setting regulations, and at the next moment were out teaching courses on them. All this time, they were still employed by major businesses within that industry.

In the years it has done these reviews, the committee has consistently said we ought to be a little more sensitive about this conflict-of-interest problem, which we found in a number

of areas and agencies. In this one in particular, we are asking that some kind of conflict-of-interest guidelines be laid down. This might be the legislation we all know the government has been considering for some time. It would just apply to the agencies the same conflict-of-interest legislation that I understand is to be applied to municipal and school board operations across the board. There certainly is a conflict of interest in a number of agencies we have looked at.

We looked at the Ontario Labour Relations Board. This is a good example of the committee looking at something that is doing rather well and saying: "Leave it alone. Do not mess with something that has a fairly good reputation"—in this instance, with both labour people and management.

We have a couple of small recommendations here having to do with the appointment of sidesmen, who have traditionally attempted to provide the balance between labour and management. We caught, from some of the testimony given before the committee, that there are now new groups appearing before the board and they are not always represented as fairly as they might be among the sidesmen. Particularly, we are recognizing once again that there is an increasing number of women in the labour force and not a proportionate representation sitting as sidespeople hearing these disputes before the board.

We also went into sometimes small, seemingly insignificant things. We are recommending that the board provide information to workers in both English and French, which seems not an unreasonable request, and in other languages. We are not attempting to snow the board under with a lot of rules, regulations and expense, but there is a very serious practical problem in that a number of people who would appear before the board or who would be interested in the workings of the labour relations board do not speak either English or French. If one wants to communicate with them, one is going to have to provide them information in their own language.

We did go through considerable discussion about how people get certified as a bargaining unit and all the ins and outs of that. We did not make a recommendation on it, because we did not have a clear path to go. The general consensus on the committee after the hearing was that the labour relations board was serving a function that both labour and management may

have had some differences about but felt was working. It was providing the basic premise for which the agency was first established.

We looked at the Ontario Northland Transportation Commission as well. Again, we were interested in the financial statements provided by the commission. We felt there ought to be some clarification between commercial operations, those designed to make money and those the commission itself had expected to subsidize.

We were looking at something that might not seem very important to a lot of people, but certainly would be to the commission itself: that it establish a clear policy regarding the unfunded liabilities of the commission's contributory pension fund. We also looked at one other proposition then currently before the commission, and that was the sale of Star Transfer.

We looked at the Liquor Control Board of Ontario and went through a fair amount of testimony about the hiring procedures and the policies followed by that board. We found some differences of opinion with the minister, who is the only minister who ever came before the committee during the course of a review. To my knowledge, he was pretty tough in making sure he spoke to the committee and answered all the questions.

The people from the liquor control board who were there did not get much of an opportunity to provide testimony to the committee. But we pointed out again that there were certainly a lot of questions remaining about the hiring practices at the LCBO. I suppose we did hear what we wanted to hear, that they were in the process of at least cleaning up their act but had not been completely successful in doing so.

The other one that members might be interested in is that the committee was somewhat taken aback by how much revenue is generated from the sale of booze in Ontario—so much so that the committee went so far as to recommend that it was pretty clear to us that the sale of booze in this province is first and foremost a great source of revenue for Ontario.

The price of booze in the stores is not really set by the minister, who in theory is in charge, but by the Treasurer, who wants more money. So the price of booze on the shelves gets bumped up whenever the Treasurer wants some more bucks.

We felt as a committee, if that really were the case—if the sale of booze, which runs just ahead of the numbers racket, is generating money for Ontario—that we all might just as well call it exactly what it is: a revenue source. Therefore,

quite logically, the Minister of Revenue ought to be running the booze outlets. If its prime purpose is to make money, it is essentially a revenue operation.

We should stop the pretence that this is some kind of consumer service that is being provided here and call it a branch of the Ministry of Revenue. We should let them run it and be nice and up front about this. The purpose of the exercise is to raise money for the province; call it that and be done with it.

We went through most of this without much acrimony. There was a little debate at the end, which I will tell members of the Legislature about. In general terms, we were very concerned, and I think it will be repeated again this year, about the conflict-of-interest problem, which to some degree or other seems to bubble through all the agencies we look at.

We keep running into the same arguments, that one cannot get people to sit on an agency unless they are experienced and active in that particular field. On the other hand, it becomes increasingly difficult to sustain the argument that somebody can really be a prime mover in the business sector of whatever the agency might be controlling and still come in and, neutrally and objectively, sit without any conflict to pass regulations and make judgements.

We found that this year, and we found it last year. Frankly, I know there is legislation that is virtually ready to go to cover conflict of interest for municipalities and school boards. There certainly has been a great deal said about conflict of interest there. There is general agreement on the need and on the format, and I think the pitch we are making is pretty simple: take the legislation that we have dealing with the problem, which we all recognize is serious, bring that legislation in and apply it to these agencies.

The conflict would appear to be minimal with some of them. There is a kind of theoretical conflict on occasion. But there are also real conflicts that would deter an agency from being effective.

From one particular point of view, if one wants an agency that is regulating an industry or sport, or is providing a service, such as the Ontario Educational Communications Authority, to be really effective, everybody who deals with that agency must feel it is not rigged in the faintest sense of the word. It has to be seen by everybody who works with the agency and those who look at it as a regulatory agency that is

being really fair; that it is some kind of neutral tribunal, arbitration board, communications authority or whatever it is.

People who sit on municipal councils have to declare conflicts and really cannot have conflicts of interest. We make those people declare them, and it has gone so far now that people lose their seats on municipal councils if they did not declare conflicts of interest. We are making an argument that, if it is important enough to do it there, it is important enough to do it in the agencies. Many of these are regulatory in nature and, to be fair, they have to have that kind of conflict-of-interest legislation governing them.

We delved into a couple of other things that might not please everyone. But we did try repeatedly, in all the reviews we have done, to get to this nifty and sometimes awkward problem of exactly how somebody gets to sit on one of these agencies.

It may be recalled that other members of the Legislature have been castigated on various occasions, booted out of here or forced to apologize because they made allegations that somehow or other appointments to boards, agencies and commissions are not quite on the up and up.

9:50 p.m.

In the course of all these years of holding these agency reviews, we have attempted to determine exactly how these appointments are made. But after two or three years at this, I do not have a clear answer as to exactly what the process is.

On one or two occasions—for example, in the Ontario Labour Relations Board—there appeared to be some consultation among people who use the labour relations board and an inquiry as to who would be a suitable candidate to sit on that board. One can see a kind of balance being struck so that when their tribunal sits there is, for example, one neutral person, one who is clearly there almost representing management and one who is clearly there almost representing labour.

We understand that process, but we have not figured out exactly how the names get to the government and then to the Lieutenant Governor to be chosen. We do feel that there ought to be some cleaning up of the process, and at the very least the people, the public at large, ought to know that such appointments are being made.

We are always interested in just how the Lieutenant Governor finds out about somebody who sits on the Ontario Educational Communi-

cations Authority or how he finds out about somebody who wants to sit on the Liquor Control Board of Ontario, and after a vast amount of research we are unable to determine precisely how that is done.

We made a couple of simple suggestions. First, stick it in the Ontario Gazette. It is not going to cost a lot of money, and then those who are interested in the work of these agencies at least will have a place to find out how many agencies are available, what kind of work they do, when they might have openings and when they will be making new appointments. If they were interested in serving as whatever it might be—on any one of the agencies that are still in business in Ontario—at least there would be a common source to go to. It does not seem to me to be a great, controversial piece of business.

Second, the Management Board of Cabinet should be made responsible—because somebody has to be, and they are the ones we picked—for processing the applications before sending them to cabinet on the basis of established criteria. And some kind of statistics should be kept on this selection process and tabled in the Legislature annually.

Essentially, we are trying to say simply that for a long time there have been a lot of bad rumours in this province about how people get on to an agency. We have found, quite frankly, that people who have come before this committee and its reviews have all been pretty decent people, but often they themselves are not very sure exactly how they got appointed to the agency either.

We feel that it is time to take away all the allegations of impropriety, to find a process that is relatively simple and inexpensive to implement, to keep track of exactly how these appointments are made and to provide this information in a form that the public can at least understand. Those are the specific and general recommendations of the committee in its review.

I want to conclude with a couple of remarks on what I think is a little bit wrong with these agency reviews. In the latter part of the report, the responses to the previous year's review are published. I want to put on the record that I am a little disappointed with the hit-and-miss nature of the responses from the various ministers.

We are not anxious—at least I am not—to lay another big set of regulations on any ministry out there, or on any of the agencies either, for that matter. But I do not think there is a person around here who can look at these reviews and say that the committee was operating in a partisan way or treated an agency unfairly.

In my experience as chairman—and I expect it will continue with the member for Burlington South (Mr. Kerr) as chairman—I think the agencies by and large felt they got a fair shake. They might disagree with some of the recommendations, and they might say, "You did not go into that deeply enough." But we did attempt to give them a fair shake, an opportunity to be heard, a chance to look at the report before it was published, a chance to make comments at that point. I think it is only reasonable, then, to expect that the ministries, all of them, would respond to the recommendations.

In my view, it is fine for a ministry to argue, "Your recommendation is all wet; we just cannot implement it," or whatever. But I do feel there ought to be some obligation for the ministry responsible to reply to the committee, as most of the ministries have.

One can get very serious about this and lay it all down and say, "The Legislature moved motions and made recommendations and all that, and we want to see a formal report published by the ministry on what they did." I would not go quite that far. But I do think, as we tried to say in publishing this report of last year's review, that there is an obligation for the ministries to respond. It is, after all, a report that is put together in a most nonpartisan way by people from all three political parties in the Legislature, and I think it is incumbent on the ministries themselves to attempt to do so.

I want to make my argument along these lines. The government internally has tried to get a handle on agencies and, I am sure, has not been as successful as it would like to be. It has tried to do that in a number of ways. Ministries have tried to do that themselves. There is general agreement that there is a problem here. We have, at least in this instance, a public format that attempts to assess the work of the agencies.

I do not believe anybody could make an argument that the procedural affairs committee has gone out with a hatchet and chopped willy-nilly at people who are doing good work. We have tried to say, "Here are some problem areas, and here are some recommendations." I do not think that it is too much to ask that the individual ministries that are involved in these at least provide a response.

I want to conclude my remarks on this report with a couple of comments that are personal in nature about where it might go from here. There are still a few different groups at work looking at agencies and what they do. For my

own information, I find that the approach taken by this committee, and continued this year under the able chairmanship of the member for Burlington South, is the way it ought to go.

I am not pretending for a moment that we had the research capacity to really analyse the day-by-day operations of any of these agencies. Quite frankly, it would be useful for the committee to be able to do that. There are other places in the Legislature where that could happen—on the public accounts committee, for example—but the fact is that it does not happen on a regular and ongoing basis.

There is provision for the ministries to do that. In some instances, I think we could quote chapter and verse where they are trying to do it, but I find that there is a need to have these agencies reviewed by a committee of the Legislature. It is okay by me if the ministries want to call them in and put them on the carpet, rake them over the coals and do that behind closed doors. But I do think that in a formal way and a public way, with proper notice and with proper research, a committee of this Legislature, which in theory is responsible for all of these agencies at some point in time, ought to be hard at work publicly doing that kind of review.

It would do me a lot of good if I could say that the committee had the capacity to do a much more in-depth research process. It seems to me that this committee in particular has looked at how other jurisdictions examine agencies of this kind, their function, the appointment to them and all of that. At some future point in time we may have some further recommendations about how that is handled.

We were impressed that in other jurisdictions, in a public forum, agencies such as the ones we have reviewed in this report get a lot more scrutiny than they do here in Ontario. They know, for example, in a much faster and more convenient way, who the agencies are, their purpose in life according to their original terms of reference, who is on it and what function it continues to carry on. We are attempting in this report, and in other reports that we have done, to establish that pattern in Ontario; so we think it is important for the Legislature to do that.

We have not found a lot of resentment in the agencies. Even where we have been critical of them, we have not found resentment. In fact, in most of them they have been quite pleased that somebody was prepared to pay a little bit of attention to them and give them an opportunity to show their stuff and to tell members of the Legislature some of their problems.

I found that the agencies themselves have been happy with the process. I think the members of the committee, by and large, are happy with the process. In the areas where I would suggest some alteration to the process, one would be some more detailed opportunity, perhaps with added research capacity, to analyse the day-by-day operations, because we do have to admit that we spent an afternoon at the communications authority looking at their equipment. I believe we got some sense of the technical problems they are having, but it would have been useful to have a more detailed report on that.

We did find, in looking at the accounting procedures among different agencies, that they were using different formats. It was tough for one research person to kind of pull that all together. It would have been useful to have had some additional research capacity in that particular instance.

Finally, it would have been useful to do a little more follow-up because, as members may note in this report, we were dependent on the ministries making a statement, in some instances the minister participating in this debate or at some other point making a statement somewhere. It would be useful to have more follow-up on the report itself.

10 p.m.

By and large, I think the members of the committee in their continuing work in this review this fall found that the process is not only useful but also long overdue. It seems to be one of the few areas where we have found consensus among all three political parties, that what the committee was doing was useful and a productive way for the members to conduct the investigation. There was very little rancour in the committee as it went through this. There was often some disagreement, but the committee felt the consensus approach was working and was producing good results.

In conclusion, this kind of report is a little unusual, because we have found here a mechanism that we all agree is important. It works and serves a useful purpose. I would say, for most ordinary members in here, there are not very many things they can point to that they have done in the last little while that fit those criteria. The work of this committee, at least for me and I sense for most of the members who participate in the process, does exactly that, and it is one that I hope will continue.

Mr. Ruston: Mr. Speaker, there are a number

of things I could talk about with regard to this report. I must say the previous speaker, the former chairman of the committee when this report was brought in, covered it very thoroughly. But I think one of the concerns we have is what is going to happen to the report.

Governments at all levels seem to have reports, provincial and federal—and I sometimes think they could fill the whole library with reports from some organization or some group that was appointed, I suppose in good faith at the time—that bring in recommendations. Then they sit there and nothing ever comes of them, although I am of the impression that those people who are in the civil service, these agencies or whatever, do take them more seriously than the government itself.

With regard to going over each one of the agencies we reviewed, the first one on the list is the Ontario Educational Communications Authority. As the previous speaker mentioned, we did go through their surroundings and their engineering technicalities for operating such a facility. In some areas of Ontario, about 30 per cent of the population do not have easy access to TVOntario. In our own area, we do have access to it, but 20 miles west in the city of Windsor they have difficulty in obtaining it. We are far enough out that we can have our aerial set in the right direction to pick it up, although I must say on a personal basis I never use it, but I guess there are some programs many people like.

I have a problem with any government getting involved in television and radio. I go back to the Canadian Broadcasting Corporation and the massive expansion that corporation in Ottawa has made over the years. I had the opportunity not long ago to visit British Columbia on a personal matter. I was just visiting. I say that to eliminate any thought that I may have been out there at the expense of the public purse. I was on my own. I want to set that straight.

Mr. Boudria: It was not a junket.

Mr. Ruston: No junket was involved, as the honourable member just mentioned.

While I was on a bus tour of Victoria, which is a beautiful city, a nice place, the driver said: "The massive buildings on my left are the Canadian Broadcasting Corporation buildings. Those are the buildings that Prime Minister Trudeau and his corporation had built here. But, after they built them, they found out they did not have any money to run them; so they have never been used."

That is what burns people up, when govern-

ments get involved in things they get talked into doing. I am not sure, but I think it is the bureaucrats running things who go to cabinet and say, "We need this in this area." All they are doing with it—well, I guess they are making some use of it. This is not in our report, but it is the trend of what happens when government gets involved.

The bus driver went on to say they did turn over the building for the use of the university so they could make some use of it in their programs with regard to television and radio.

The thing that bothers me is, where do we stop? What part should government play in this? I have great reservations on that. Personally, I think the government should serve those people who cannot get service through the private sector when it is impossible because of the cost. We know that. There are railroads that were built through this great country which were subsidized to help those people who lived in certain areas and did not have transportation available to them.

That is fine; I accept that. That is part of my responsibility. I wish to live in an area that is built up so I should subsidize those people so they can keep our country going and live in their areas whatever the job is.

But in a place like Metropolitan Toronto, government should not be involved in television or anything. That is a complete waste. Private industry can serve those needs and we should not be putting massive amounts of money into that type of thing. That is a strong personal feeling I have and that is why I have reservations about the Ontario Educational Communications Authority.

What is education? One can interpret education in different ways. One might go to a play or movie on Yonge Street that might do certain things many people would not like, yet somebody else would say, "That is educational." It is educational to that person. It is like noise and music. One person says, "That's music," while another person will hear it and say, "That is noise, I can't stand it," and they complain. What is education? I think that is another thing. What is the broad interpretation so the government can expand here without going further than the original intention?

As far as the Ontario Lottery Corporation is concerned, I am no expert on that, although I must say I am a lottery fan. I think governments probably should be involved in them. I have always felt that to stop other countries from selling tickets here we should have our own.

Some people can recall other lotteries from overseas which were more or less illegal, although one could win the money and get it tax free. Apparently buying the ticket was a bit of a problem. I must say I was not involved with them much.

But what is happening now with the Ontario Lottery Corporation is that the big sell is on. I have a feeling they probably want to get into a daily lottery. I object to that. I think government has a place in lotteries. I have made surveys in my own riding. I have heard people talk about private surveys and, when one sends out a newsletter, one tries to get the feeling of the people in the riding as to what they think of certain things which one might have to vote on at some time.

It is nice to have a general consensus of the feeling in the riding. I do not think the present Premier (Mr. Davis) does anything without taking a poll to see what might be popular. I do not know that government should always act that way. Government should probably act on what is good for the country and not on what is popular at the time.

We have four lotteries now, Wintario, Lottario, the Provincial and Super Loto. I know the Provincial is run in co-operation with the other provinces. I would certainly be one of those who would object strongly to increasing what we have at this time. In fact, I would be more inclined to drop at least one of the present ones.

We are spending too much money on the hard sell, on advertising the lotteries. The "everybody wins" ad is untrue and misleading in my opinion. It should not be advertised that way. I know there has been some movement away from that, but that was a very bad type of advertising.

If private industry did that, I am sure people would be contacting the consumer affairs ministers in Ottawa and Ontario to object to that type of advertising. Yet our own Ontario Lottery Corporation has been doing that. That is one thing I object to very much. However, I want to say I am not against lotteries and I think people are going to buy lottery tickets so the government should be into it. That is the way it is.

10:10 p.m.

We found in one of our hearings it was not too well publicized where some of the money was going—it should be; it is government money going out—and some of the research they were doing was rather strange.

We have reservations about some of the places where the money is going but in most

cases the lottery money is being used reasonably well. I would think the way the present Minister of Health (Mr. Timbrell) is screwing down the wheel for money for hospitals and nursing homes and so forth, that some of the money that comes from lotteries, although it would not be a major part of the health budget, is going to have to be put into some areas in which he is pressuring hospitals and nursing homes and stopping them from serving the people properly.

Regarding the ophthalmic dispensers, it was rather interesting when we had those people before us. There seemed to be some conflict of interest, in the way we looked at it, although I must say those involved did not think they had any conflict because they were somewhat more involved with two different parts, being on the board and also in teaching, et cetera. We have some recommendations with regard to that.

As far as the Ontario Labour Relations Board goes, I must say we did not have too much fault to find with its operation. Sometimes hearing dates took too long and they had language problems in a cosmopolitan city such as this, and these are areas that could be improved upon.

Regarding the Ontario Northland Transportation Commission, it has been before committees for a number of years. I can recall being on the public accounts committee a number of years ago where the same board was before us with regard to some problems it had at that time. They have now been back before us on other matters, and some of their areas of operations were losing money and others were making a small profit.

Of course, they were trying to serve an area where it was difficult in places. They were serving in some remote areas and, naturally, that had to be subsidized. We did not recommend that the Star Transfer trucking company be disposed of separately because maybe we would be only selling off something that was making a profit. I think if we are going to operate at all we should operate together. Hopefully, some of its problems will be ironed out.

As far as the Liquor Control Board of Ontario goes, I have had some interesting conversations with some of those involved. The minister appeared at the time and he seemed to want to have all the say. He did not want some of his officials to say anything about the operations. But I must say the method of hiring was not up to the Civil Service Commission standards.

With regard to the liquor control board, at one time people used to say it was the Progressive Conservative control board of Ontario. They said one had to be a known Conservative in order to get a job in a liquor control board store.

I had one individual in the Legislature tell me he knew a fellow who was working part time in a liquor store. I am sure some of the members may have heard this before. He said this fellow came to him and said he heard there was a full-time job coming up in the same store and he wondered if he would send a letter in on his behalf. The member told him he was not a Conservative and he was afraid he could not help him. The fellow said he was a member and he should send a letter in on his behalf if he would.

The member said he would, because he was sure the man was a good employee. He did send the letter in on his behalf and, lo and behold, the fellow even lost his part-time job let alone getting the full-time job. I guess that is what happens. I am not sure that is the way it is now, but I do know that it has been known to operate that way.

Since I was on the committee at the time this report was brought in I thought I would bring some of these things to the members' attention very briefly. The main concern we have is that people who have to do with operating these boards and commissions and the appointment of the members of it—I call it the Progressive Conservative Senate of Ontario—we would hope our recommendations are considered and that some action is taken on it.

The Deputy Speaker: The member for Hamilton Mountain (Mr. Charlton). Sorry, first a point of order from the Chairman of Management Board of Cabinet.

Hon. Mr. McCague: Mr. Speaker, I thought the order had been established when the member for Burlington South (Mr. Kerr) spoke first, then the member for Oshawa (Mr. Breaugh), then the member for Essex North (Mr. Ruston).

Interjections.

The Deputy Speaker: Does the member for Hamilton Mountain have some difficulty?

Mr. Charlton: I have no difficulty with the order that has been established.

The Deputy Speaker: I did not see any Conservative rise after the previous speaker, so I came back to the member for Essex North.

Interjections.

Hon. Mr. McCague: My apologies, Mr. Speaker. I will jump up much quicker next time. I hope you happen to be looking this way.

As the previous chairman and the present chairman have stated regarding the procedural affairs committee report and its report on agencies, boards and commissions, they did take a very objective look at the agencies and they did make recommendations that reflected their thinking on the matter. The government has been able to accept some and not been able to accept others. Although we may not get time tonight, the various ministers responsible for the six agencies studied were prepared to make comments for the benefit of the committee regarding the recommendations made.

I want to make a few general comments about the progress made in the past few years in scrutinizing these agencies, boards and commissions. Some of this was as a result of the recommendations made by various committees of this House and other parts by the ongoing reviews that we at Management Board have been doing now for some years.

On balance I think we can be very proud of the record of administration of agencies in this province. We are far ahead of the other provinces and the federal government. We are the only government that has an integrated process for the management and control of our agencies. There are 278 of them and they cover a wide range of responsibility. Some protect consumers by regulating aspects of an industry or profession; some give advice; some hear appeals against decisions of civil servants; and some provide goods and services.

Some of these agencies are large and well known, such as Hydro, the Royal Ontario Museum, the Ontario Municipal Board, and the lottery corporation. Others are small and not well known but they provide timely and useful input into the government's policy-making process—such as the Building Materials Evaluation Commission, the Advisory Council on Special Education and the Drug Quality and Therapeutic Committee.

This variety and size in the methods of funding and the manner in which the various agencies relate to the government means no one simple set of rules or procedures can be written to which all agencies can conform. Ontario has, however, established detailed policies, procedure and guidelines in its manual of administration.

10:20 p.m.

These deal with the establishment of agencies with a degree of government involvement and control of agencies and with the review of agencies. Agencies play a valuable role in the delivery of many government programs, often offering a more convenient and flexible means of discharging some of the responsibilities of government. Their separate identity gives them a neutrality for quasi-judicial matters, and where specific technical expertise is required they can provide it.

However, the government is equally concerned that in these times of careful management of our resources there not be an undue proliferation of agencies. For this reason all new agencies require the approval of both Management Board and cabinet. These parties must be certain that the function needs to be done, that no existing agency can do it, that it cannot be done within the existing operation of the government and that the establishment of the new agency represents the best and least costly alternative. Once it is determined that a new agency needs to be established, policies pertaining to the administration of the agencies come into play.

As I noted, the complexity of agencies has necessitated quite lengthy policies on various aspects of administration. Each agency is allocated to one of four schedules reflecting its administrative autonomy, its method of staffing and its method of funding. Obviously, the greatest control is maintained over those agencies funded out of the consolidated revenue fund.

Regarding appointees to agencies, the policies indicate that the numbers should have regard to such factors as work load, quorum, the need for geographic or other representation and expertise. A three-year term of office is stipulated. There are detailed guidelines on the remuneration of appointees as well as on conflict of interest.

All operational and regulatory agencies within schedules one and two require the preparation of a memorandum of understanding, which sets out the respective roles and responsibilities of the minister and the agency, the applicability of all policies within the manual of administration and the financial responsibilities, including auditing. In short, Ontario's procedures for the administration of agencies are most comprehensive.

The third phase of this administrative process is the review of agencies. This government is anxious to ensure that all agencies continue to

be relevant and that they continue to be used in the most effective and efficient manner possible. These intentions are not new. As part of the overall deregulation policy of the government the agencies review committee was created in March 1978 to review all agencies and to suggest areas where the administration of the agencies might be improved.

Its first report led to the elimination of some agencies whose specific functions were no longer required by the government—the liquor advisory board and the student housing corporation—as well as the merging of some agencies to provide their respective functions more efficiently. The agricultural licensing and registration review board combined 12 boards; the children's services review board combined boards of review for mental health centres and for day nurseries. A net reduction of 30 agencies was achieved at that time.

The second report addressed the administrative process. Its recommendations in essence led to many policies in the current manual of administration, about which I have just spoken.

The third and final report, which was tabled in the House in June 1981, considered the area of sunset review of advisory agencies. All advisory agencies will be reviewed over the next three years as to their appropriateness and the need for their continuation. Again, the detailed procedures for sunset review have been incorporated in the manual of administration. All new agencies, not just advisory agencies, will in future have a sunset clause added to their establishing legislation or order in council unless cabinet specifically directs otherwise.

This review of agencies will counterbalance the focus on new activities by ensuring an evaluation of existing activities and offering an opportunity for the rationalizing of activities and reordering of priorities within each ministry as its agencies are reviewed.

In sum, through the work of the agency review committee and the Management Board secretariat, government policy has over the past four years evolved into an effective program of agency management control and evaluation.

However, the continuing review of any program is obviously a necessary and useful function. The work of the standing procedural affairs committee, whose report is currently before the House, is part of that process. In fact, the policies and the manual of administration concerning the reporting requirements of agencies were developed after an earlier procedural affairs committee report identified the prob-

lems associated with a lack of formal reporting by agencies. This third report on agencies considered six agencies in depth and made a number of specific recommendations.

I should like to make some observations of a more general nature on the recommendations, which have a bearing on overall agency policy. The committee devoted much of its attention to the issue of conflict of interest and recommended that the Management Board of Cabinet should introduce legislation establishing rules governing conflict of interest with respect to all agencies, boards and commissions in the Ontario government.

In April 1980, the government formally established a policy on that very issue, and it has been an integral part of the manual of administration ever since. I believe these guidelines continue to be adequate for dealing with most of the concerns arising from conflict of interest even though they are less detailed than those set out in the Municipal Conflict of Interest Act to which the committee referred.

I would point out that the policy allows individual agencies to adopt more comprehensive guidelines on disclosure of interest and other conflict situations, where desirable. There is a question of the feasibility of adopting the provisions of the Municipal Conflict of Interest Act in their entirety. In the act, for example, provision is made for application to a court for permission for the municipality to deal with the matter without a quorum should members be required to absent themselves from the discussion. Agencies, by their very nature, tend to be concerned with very specific issues, and the appointment of members reflects that. I would not like to see the courts further overloaded in order to deal with issues where there are problems over a quorum.

The other area highlighted by the committee was that of appointments. Here I have grave reservations about the desirability and feasibility of the recommendations. The committee, in effect, is suggesting that appointments to agencies be replaced by a recruitment process. It is recognized that cabinet must accept responsibility for the choices it makes, and this government wishes to retain that responsibility and to continue to exercise its given mandate in a conscientious manner. I also point out that with some 3,000 appointees, this would be an extremely time-consuming and very inefficient process.

The committee seems to imply in its report that the appointment process is carried out by a select few who choose from a listing of worthy

Tories. I can assure members that this is certainly not the case. Some of our highest profile appointments have been given to those who are obviously not associated with the government party. Phil Givens and Stephen Lewis are two such examples.

In addition, great care is given to the involvement of client groups. If the honourable members would look closely at the list of appointees to agencies such as the advisory committees on multiculturalism, senior citizens, women, legal aid, university affairs, the physically handicapped and the many medical disciplines, I am sure they would have a much better understanding of the rationale for appointments.

While on occasion a specific problem may arise with the appointees to agencies and this must, of course, be dealt with, I firmly believe that on balance our many agencies are extremely well served by those appointed to them.

There is one specific agency recommendation that does concern the Management Board, and that is the request to table in the Legislature guidelines with respect to the allocation of lottery funds. The guidelines for the allocation and expenditure control of lottery proceeds are already a matter of public record, as they are incorporated in the estimates process and operating procedures. Management Board establishes the cash allocation in the estimates process in order to meet dedication commitments made by cabinet.

Recently, on October 7 of this year, cabinet approved special guidelines which are aimed at ensuring that commitments do not outpace lottery revenues. In the near future these recently approved guidelines and implementation details will be distributed to the appropriate ministries and to the chairman of the public accounts committee.

I believe the committee has done a thorough review of the six agencies it elected to consider, and my colleagues will be speaking on the specific recommendations at some time. However, a number of recommendations suggest the involvement of the government in agencies that have been carefully assigned a very arm's length relationship.

Mr. Bradley: This is exciting stuff.

Hon. Mr. McCague: You like that? I'm glad you just got in.

Mr. Bradley: I have been here all night listening carefully to you.

Hon. Mr. Bernier: You haven't been in your seat.

Mr. Bradley: I haven't been in my seat, but I was back there listening.

Hon. Mr. McCague: Were you? Is there anything else you wish to say before I continue?

Mr. Speaker, I was about to read the conflict

of interest guidelines into the record, but it being almost 10:30 of the clock I should move the adjournment of the debate.

On motion by Hon. Mr. McCague, the debate was adjourned.

The House adjourned at 10:30 p.m.

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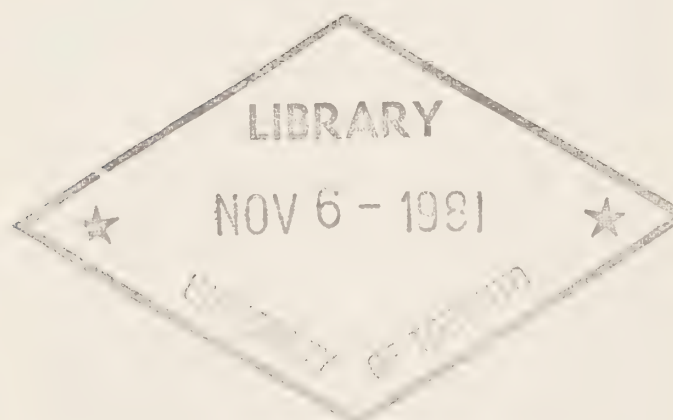


Ontario

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Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, October 23, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, October 23, 1981

The House met at 10 a.m.

Prayers.

Mr. Speaker: Before proceeding, I ask the members of the Legislature to join me in welcoming and recognizing Mr. Larry Birkbeck, a member of the opposition party of the Saskatchewan Legislature, who is sitting in the Speaker's gallery.

CONSTITUENCY OFFICES

Mr. Speaker: On Thursday, October 15, the member for Ottawa East (Mr. Roy) rose on a point of privilege with reference to my memo of September 22 regarding the signing of constituency offices. I would like to remind all honourable members of the regulations established by the Board of Internal Economy and point out that these guidelines apply only to the usage of moneys provided for each member out of the Legislative Assembly fund through the constituency office program. In my opinion, therefore, there is not a breach of those guidelines established by the Board of Internal Economy in this regard.

STATEMENTS BY THE MINISTRY

MINE SAFETY

Hon. Mr. Pope: Mr. Speaker, this Monday, Tuesday and Wednesday I had the honour of leading a delegation representing Ontario's mining industry at the thirty-eighth provincial mines ministers' conference, hosted this year by the government of British Columbia at Victoria. The conference theme was social dimensions of mining. Ontario's presentation dealt with the modular training programs—

Mr. Cassidy: You sound funereal this morning. You sound like an undertaker.

Hon. Mr. Pope: Would the honourable member like me to speed it up?

Mr. Cassidy: Just faster. Peppier, zippier.

Hon. Mr. Pope: Ontario's presentation dealt with modular training programs for hard-rock miners which have been developed with the aim of improving the health and safety of underground and open-pit mine workers. Ontario has been the leader in the development of modular

training programs. The impetus for training reform evolved in the early 1970s, when we had a series of disturbing health and safety incidents. These led to the formation of the Ham commission.

Out of the subsequent report came the recommendation for a tripartite committee. It would undertake the creation of a training program to raise the standard of workmanship in both safety and productivity. It would also raise the status of workers in the industry through recognition of their skills by a proper certification program.

It was as a result of the hard work and co-operation of the United Steelworkers, the Mine, Mill and Smelter Workers and management people from industry, greatly assisted by the Ministry of Colleges and Universities and the Ministry of Labour, that the present modular training program became a reality.

As a result of the efforts of these groups, I was able to present to the conference a program that has been adopted by all the mining companies in Ontario and has become mandatory for the training of all underground mine workers in the province.

To become a certified hard-rock miner, a worker must complete two stages in the program: the common core for basic underground hard-rock mining skills and specialized underground hard-rock mining skills. Total training takes place in the mines, and successful completion is judged on the basis of satisfactory performance demonstrated on the job.

The program is mandatory for all new regular underground workers, but it has been found that many incumbent workers also have chosen to undergo training to qualify for certification under the new program.

As a result of our discussions in Victoria, it was resolved that specific steps in three key areas of social policy, as it relates to the mining industry, must be taken.

1. Ontario will share with the other provinces its experience in modular manpower training, with the hope that the modular training program will be adopted by the other mining provinces and certification of underground hardrock miners will be standardized and recognized throughout the country.

2. Alberta will undertake a full review of manpower mobility and discuss a strategy with the other provinces that can be adopted to deal with this problem.

3. Our host, the government of British Columbia, will prepare a submission relating to all aspects of safety within the mining industry.

We hope that reports on the three studies will be completed within six months and distributed to the participating provinces for review and further discussion.

Furthermore, it is my intention to send letters to each of the participating governments on the subject of cross-certification to encourage discussion of this proposal with the mines, education and labour ministers. Our position is that there should be no barriers to free movement of skilled workers from one province to another. This requires mutual recognition of training programs and skill certification.

I am greatly looking forward to their reports at the end of the six-month period.

Modular training manuals are available for study in the Natural Resources library and the public reading room in the Whitney Block.

10:10 a.m.

ORAL QUESTIONS

CONSTITUTIONAL PACKAGE

Mr. Nixon: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. Can the minister inform the House what the official response from himself and the Premier (Mr. Davis) has been to Mr. Trudeau's call for a last-ditch consultation with the Premiers on November 2?

Does he agree with the comment in the Prime Minister's telex that, since the decision of the Supreme Court of Canada indicates the constitutional package to be constitutional, Mr. Trudeau intends to proceed according to his previous timetable unless certain changes can be established at the meeting of November 2 after consultation with the Premiers?

Hon. Mr. Wells: Mr. Speaker, I am happy to respond to that. First, I think my friend meant that the Prime Minister's telex said the constitutional package was legal rather than constitutional. That is the point in dispute. In the telex he says the court found by a decision of seven to two that the Parliament of Canada was legally competent to pass the constitutional package.

The response of the government of Ontario and of the Premier to the Prime Minister's telex has been that we certainly will be pleased to go

to the meeting on November 2 and to go in the spirit suggested; that is, we would come prepared to give and take to see if we can arrive at a package.

Apparently, the Prime Minister seems to have indicated that he is willing to put some things on the table at some point, and in that spirit we will try to come up with a package that can go forward, supported, I hope, by more governments in Canada than it is at the present time.

Mr. Nixon: Since the minister and the Premier will be negotiating the whole future of the province, both as to our individual liberties and as to our role in the constitutional amendment procedures, can the minister be more specific about what areas he is prepared to bargain over?

For example, are there some human rights that he thinks do not need to apply in this province, rights he might back down on if the west does not like them? Is there some procedure in the amending of our constitution that might leave Ontario without the veto that has historically been ours and will undoubtedly remain ours?

Hon. Mr. Wells: I do not think we have gone into any detailed discussion about what things might or might not be in any packages that could be talked about at the meeting. I think my friend will recognize that at this point it is rather dangerous to get into public discussions of packages or positions before a meeting is held.

Mr. T. P. Reid: Oh, come on! This has been going on for years.

Hon. Mr. Wells: No. Listen to what I am saying. It is like setting out your position before going into a labour-management dispute.

Mr. T. P. Reid: Your position is that you'll do what Trudeau tells you.

Mr. Speaker: Order.

Hon. Mr. Wells: In answer to what the Liberal House leader has said, there is no question that the positions of the province of Ontario, which I think are supported universally in this House, will ever be bartered away; for instance, recognition of the monarchy, which I see—

Mr. Nixon: How about the Lord's prayer?

Mr. T. P. Reid: What about motherhood?

Hon. Mr. Wells: Listen. I want to say something about the recognition of the monarchy, because I see it ridiculed from time to time, particularly by some columnists—

Mr. T. P. Reid: That is about as inane an answer as I have ever heard.

Hon. Mr. Wells: I think it is worth explaining, because I see it ridiculed as if it is not even under discussion in the package, when in fact it is. That package, while it is generally looked upon or perceived to be the amending formula and the charter of rights, also includes bringing home the British North America Act and establishing a way in which the British North America Act can be amended.

It is worth noting that, after this one-time occurrence, what is legally being done by the Parliament of Canada—that is, amending our Constitution and bringing it home—never can be done that way again, because there will be an amending formula that involves the provinces. In bringing home the British North America Act, one is bringing home and preserving in the constitution of Canada the position of the monarchy as it is at the present time.

I remind my friends that the federal government brought in a bill in 1977-78 called Bill C-60, which changed the status of the monarchy as far as Canada was concerned. It attempted at that time to put that change through unilaterally. That was blocked.

What I am saying is, one of the components of this package is that the British North America Act comes to Canada as part of the constitution of Canada, and it cannot be changed except under the amending formula which means, in our view and I am sure in my friend's view, protection of the monarchy.

I can also guarantee him that in any discussions the rights of minorities, women, the handicapped, native peoples and so forth that have been won by these people in the charter of rights will be preserved.

It disturbs me to find, for instance, the Premier of Saskatchewan, saying he could perhaps buy this if all the sections that prevent discrimination against women, minorities, native peoples and the handicapped and so forth were taken from the charter of rights of Canada.

Mr. Ruston: What about the Premier of Manitoba?

Hon. Mr. Wells: All those Premiers. While one can argue philosophically for or against a charter of rights, I think that the people of Canada in every province want a charter of rights in the constitution.

Mr. Cassidy: Mr. Speaker, the minister's words would ring a little more true if it had not been five years now since the government first received the report on reform of the Ontario

Human Rights Code of Ontario, something it has not yet succeeded in enacting into the laws of the province.

My question to the minister is this: What is the give and take that Ontario is prepared to go forward with when the meeting takes place on November 2? For example, by indicating that as part of an overall package this province will accept the application of section 133, is Ontario prepared to guarantee the status of the French language with respect to the Legislature or the statutes and the courts of the province?

Since those talks in Ottawa are doomed to fail if the present impasse continues with neither side making a move because they are afraid they might give something away, what is the province prepared to initiate? Does Ontario have some imaginative proposal that will get both sides off the present impasse and see a solution to which most provinces could agree?

Hon. Mr. Wells: Mr. Speaker, Ontario believes it can be some kind of catalyst in achieving what we hope is a give and take on all parts and in achieving a position where more governments support the package.

We believe we can be the catalyst in that kind of endeavour, but we do not believe we can do it by talking publicly about positions in anything more than already has been said. The Premier has said this many times.

While we have approved the amending formula that is there now, we are willing to look at other amending formulas, particularly in the light of the argument from some provinces that the present formula creates first-class and second-class citizens.

I should say to my friend that Ontario's position on the matter of section 133 is well known. It has been stated many times by the Premier, by myself and by others. I might just say to the member that it is not a matter that has been discussed by anyone, even in generalities concerning the positions, amongst those people who approve or disapprove of the constitutional package.

10:20 a.m.

Mr. Nixon: Since the Premier obviously has very solid positions in all of these matters and there is no area where the Minister of Intergovernmental Affairs can indicate Ontario's position is changing in any small degree, and since the Premier is not even allowed to sit down with the other eight Premiers—they usher him out of the consultation room as they are discussing

what they are going to do—is it not pretty obvious that there will be no significant change emerging from the November 2 meeting?

If that is the case, will the Minister of Intergovernmental Affairs indicate what he believes to be the timetable, the scenario of action, based on information he would receive from his provincial and federal colleagues that would result in the whole matter being debated and finalized by Parliament and sent to Westminster?

I also want to know whether, if that goes forward in that way, as obviously it will, he and the Premier intend to go to Westminster to counteract the arguments from the other Premiers that might in any way delay its passage there.

Hon. Mr. Wells: I will answer my friend's last question first. I have always said I was prepared and likely would spend some time, as will the Attorney General (Mr. McMurtry), in London at Westminster continuing the process in the spirit of helping those people who wish to see the package passed. We probably would not have to take that action except that, if others are doing it, the story and the position of the people of Ontario also have to be made clear as well as does the federal position.

In answer to the member's first question, he should direct the question to the Premier now that he is here, because he is the leader of the government and the one who can give him the position; and I should make it clear that he is the only one who was in on most of the discussions on Monday.

ONTARIO ENERGY INVESTMENT; ACID RAIN

Mr. Nixon: Mr. Speaker, I have a new question. Based on my experience, I will not direct it to the Premier because, while he may have the information, there is no way he is going to give it to us.

I direct the question to the Deputy Premier, the Minister of Energy (Mr. Welch). Is he aware that his newly acquired oil company owns and operates the largest single SO₂ polluter in Alberta; in fact, one of the top 10 in Canada?

Does he not feel this gives him a moral responsibility, as the director of some of the new directors of that company, to have them go forward with the expenditure of funds which will at least reduce the sulphur dioxide in the Suncor tar sands plant by the factor of 10 which is readily available in modern technology? Is he aware of that responsibility, and what is he going to do about it?

Hon. Mr. Welch: Mr. Speaker, I have to confess that I did not have that information. I am not familiar with that particular part of the operation of that company. I will be glad to take the question as notice and get some information, following which I will be glad to report back to the member.

Mr. Nixon: Just to be helpful to the minister, who obviously has been left out in the cold on all the background information leading to the purchase of Suncor, the Fort McMurray tar sands plant that he and his friend have just bought emits 93,000 metric tons of sulphur dioxide a year, which makes it the largest sulphur dioxide polluter in Alberta and one of the largest in Canada.

Since the government of Ontario is taking such a strong and critical position of other polluters outside our borders, does he not feel some compulsion to persuade the Treasurer (Mr. F. S. Miller), who is very amenable to persuasion, to find the money to clean that place up now that the government is one of the major owners and operators?

Hon. Mr. Welch: I cannot add anything to my previous answer. I will certainly make myself familiar with that situation.

Mr. Cassidy: Mr. Speaker, is the minister now prepared to make available to the House the reports from Price, Waterhouse and from McLeod, Young, Weir on which the government based the decision to acquire the 25 per cent share of Suncor, and the other documents or studies that were carried out on behalf of those members of the cabinet who were in the know on which they based their decision to spend \$650 million of the Ontario taxpayers' public funds?

Hon. Mr. Welch: Mr. Speaker, it is my understanding that the requirements of the rules were satisfied yesterday with the filing of the compendium.

Mr. Cassidy: Is the minister not prepared to share any further information, or is it his view that, as far as the majority government of the province is concerned, what he knows is good enough for everybody else in the province and that a decision made by only four members of the cabinet without any substantiating information to justify the action, even after the fact, is reasonable and prudent conduct of the affairs of the province or reasonable and prudent use of the taxpayers' money? Surely we are entitled to know all the justifications under which Suncor was purchased.

Also, what was the advice given to the government as to the advisability of taking 51 per cent control so that we would have control as well as ownership of a portion of that company?

Hon. Mr. Welch: I repeat that the compendium was filed yesterday. The honourable member himself was a member of the select committee, as I recall, studying the Camp commission report. It was from that particular committee that the whole concept of a compendium was developed.

The honourable member, if he wants to refresh his memory and go back to the Camp commission report, which was the subject matter of study by the committee of which he was a member, will find it goes on to describe what a compendium is and makes some reference to the models that are available in the United Kingdom. It is my opinion that we have indeed followed that and have provided a collection of the available public information that preceded the reading of the statement in the House by the Premier.

Mr. Nixon: When the minister is preparing or asking for his personal compendium so that he has at least some personal background information, will he ask particularly for the statement from Dr. U. T. Hammer of the department of biology of the University of Saskatchewan, who did a report called *Acid Rain: The Potential for Saskatchewan*. I simply quote briefly from one of its paragraphs.

"Increasing emissions of SO₂ and some nitrogen oxides from the tar sands—Fort McMurray . . . synthetic oil developments—will only serve to accentuate the problem of acidic precipitation. The technology of the removal of acidic gaseous emissions must be improved to prevent loss of fish populations from northern lakes. If this is not done, recreation through fishing will be dramatically reduced in the next few decades. Commercial and domestic fisheries, the mainstay of many natives in the north, will also be affected."

That is the minister's factory; it is up to him to clean it up.

ELECTION SPENDING

Mr. Cassidy: Mr. Speaker, I have a question for the Premier with respect to Conservative Party spending in the election campaign of March 19.

The Premier was very clear yesterday in saying he thought that the reason the Conserva-

tive Party won the election was that the policies of his party were superior to those of my party or those of the Liberal Party.

If that is the case, can the Premier explain why he felt it necessary to reinforce the strength of those policies by spending \$53,512 on the campaign in his riding in Brampton, and why it was necessary for the campaign of the Minister of Industry and Tourism (Mr. Grossman) to cost \$129,000; for that of the Minister of Consumer and Commercial Relations (Mr. Walker) to cost \$81,000; for that of the Minister of Municipal Affairs and Housing (Mr. Bennett) in Ottawa South to cost \$73,000; for that of the Minister of Intergovernmental Affairs (Mr. Wells) to cost \$69,000; for that of the Attorney General (Mr. McMurtry) to cost \$67,000; for that of the member for St. George (Ms. Fish) to cost \$64,000; and for that of the Minister of Energy (Mr. Welch) to cost \$60,000?

I could go on, but 35 of the 40 campaigns on all sides of the House that cost more than \$40,000 were Conservative campaigns, mainly for cabinet ministers. If the government's policies were so good, why was there such gross high spending by these Conservative candidates as well?

Hon. Mr. Davis: Mr. Speaker, I cannot comment on the specifics of each individual riding. What was the figure again in the great riding of Brampton?

Mr. Cassidy: It was \$53,512.

Hon. Mr. Davis: That is \$53,000 in what is probably the second largest constituency in Ontario. I think I am fairly close to that. If the member equates that on a per capita basis with even some of the his party's expenditures, certainly with the Liberal Party expenditures in St. David, he will find on a percentage basis that it was probably lower in the great riding of Brampton than in many other constituencies.

10:30 a.m.

They had a very difficult candidate to elect in that constituency, too, a candidate who was not in the riding during the campaign, unlike the leader of the New Democratic Party. That is another reason. I was only there twice. Fortunately, though, I spent a lot more time in the riding between campaigns than the member from the islands and Ottawa Centre (Mr. Cassidy) and, as a result, perhaps felt a little more comfortable in only being there two times during the campaign, unlike the member who

had to save his own seat because he had neglected it for four years. That happens to be true.

Mr. Cassidy: You know, you are really cheap.

Hon. Mr. Davis: Oh, cheap! One minute the member is saying we are expensive for spending that much in the riding of Brampton, and the next minute he is saying we are cheap. He cannot have it both ways. Are we expensive or are we cheap?

I only say to the honourable member, as I said to him yesterday, I am not going to argue with him, because I will never convince him that the reason they did not do very well, the reason they perhaps did not attract even as much support as traditionally from some of their financial constituency, was that those people who ordinarily support them in an economic sense were less than enthusiastic about the direction, the policy and the leadership the member was giving to his party.

I give as an example the great riding of Brampton once again. We have, for instance, a very high percentage of members of the United Automobile Workers. If the member does not think the Tory candidate in Brampton received more than his fair share of that union membership, which might traditionally have voted for his party, then he is making a gross error. The reality is the Tory candidate did, because they sensed, as they have for a number of elections, that while they might disagree with some aspects of our policy, what we were doing and what the local member was doing were preferable to that which his candidate or he, as leader of his party, was offering them. That is a reality of politics in my riding that I think was true in 124 other ridings across this province.

Mr. Cassidy: The question was, if the Conservatives are so good why do they have to spend so much? Perhaps the Premier can answer this question: What was the contribution to the democratic process involved in having a \$3,500 golf tournament, which was paid out of the campaign and riding funds of the member for York Mills (Miss Stephenson) during the election period?

What was the purpose of using \$5,700 of Conservative Party funds for a barbecue in the case of the member for Oakville (Mr. Snow)?

What was the purpose of spending \$8,700 by the member for Brock (Mr. Welch) in his campaign to feed executive members and poll captains?

What is the contribution to the democratic

process of taking \$2,600 of these funds reported for the election, Conservative Party contributions, and using them to put some new furnishings in the constituency office of the member for Brock?

Hon. Mr. Davis: I am only going by memory, but my recollection—and it is fairly accurate—is that the election campaign was conducted during February and March. I do not know of many golf courses in Ontario, and I assume this golf tournament was in Ontario, where one would have a golf tournament during February and March. One might have one in the honourable member's constituency; I do not know about climatic conditions in Ottawa Centre. But my understanding is that golf tournament was held by the association in June, some two months after the election.

Hon. Miss Stephenson: Three months after the election.

Hon. Mr. Davis: Three months. If he takes exception to that, that is his business. I think it is totally irrelevant and, quite frankly, rather silly.

If the barbecue he is referring to is the one of which I am aware, held by the distinguished member for Oakville, that barbecue was not held during February or March. It really is chilly to have an outdoor barbecue in February and March. I think he will find it was held in June.

As I recall it was a thank-you to the many volunteer workers and to the professionals the member opposite employs year after year, the people who opt out, are drawing salaries and are still working for the New Democrats. This was just a gesture on the part of his Conservative organization to thank the hundreds of volunteers who worked night after night with no pay, with no inducement, with no motivation but to elect a Progressive Conservative member from that riding; and all he wanted to do was to say thank you.

Mr. Speaker: Final supplementary, the member for Brant-Oxford-Norfolk.

Mr. Nixon: I am not sure why the leader of the NDP (Mr. Cassidy) keeps feeding himself into this meat grinder, but—

Hon. Mr. Davis: I have been called many things, but I have not been called a meat grinder. I take exception to that.

Mr. Nixon: The quality of the sausages is not high.

Hon. Mr. Davis: I would like to know how the eater would know that.

Mr. Nixon: I am not eating any of it.

Mr. Speaker: Order. I presume you do have a supplementary.

Mr. Nixon: As soon as you sit down.

Mr. Speaker: Right.

Mr. Nixon: Mr. Speaker, I am really concerned about the \$25 million in public funds that was spent by the Premier and his colleagues, particularly the Minister of Industry and Tourism (Mr. Grossman), to promote themselves and the government in general. That is an area where I feel the Premier has a lot more to explain. He has picked up bad habits from his predecessors in the job and we are going to see that he cannot pass them on to his successor.

Hon. Mr. Davis: Mr. Speaker, the honourable member is expressing his opposition to a government communicating with the public. And I say to the—

Interjections.

Hon. Mr. Davis: That is fine. The member can select the Ministry of Industry and Tourism. I have met people from the agricultural community; with the Ontario Federation of Agriculture, I believe it was—certainly the fruit and vegetable association. I think I can get their communications—or it may have been verbal—where they were totally in support, in that instance, of efforts by the Ministry of Agriculture and Food to promote the use by Ontarians of Ontario-grown products. If the member objects to that he can say it to the federation of agriculture and tell them he is opposed to this form of communication.

I meet more senior citizens than the member does, perhaps because I am a shade older—

Interjections.

Hon. Mr. Davis: No, I am not. I meet more senior citizens than he does, in any event. And the communication program from the Ministry of Revenue to remind and inform the senior citizens of the availability of government programs is something they appreciate.

I have heard time and time again from the Liberal energy critic, who is not with us this morning, "Why are we not doing more to promote conservation?" I think they were excellent forms of communication from the Ministry of Energy to say to the people of Ontario, "Yes. Preserve it, conserve it is a relevant attitude to adopt." I think it was excellent communication material.

Interjections.

Hon. Mr. Davis: I say to the member for London Centre (Mr. Peterson) that the acting leader of the Liberal Party—and I only wish he were in the campaign—is so far ahead of him in ability to perform in the House he could—

Is the acting leader going to be a candidate? I had better not extol his virtues too much in case he becomes one.

Mr. Nixon: Mr. Speaker, is there nothing you can do about this?

Hon. Mr. Davis: He asked the question; I am giving him the answer.

If the member will go back and look at these excellent communication programs he will understand they were running well before any election was called. The members opposite were the people who were trying to put us into an election much earlier than we had ever planned; they wanted it much earlier than we did. In fact, those ads are still running, and I think the Ontario public appreciates them.

I notice the honourable member is never critical of the government of Canada. Has he raised any objection to some of those excellent communication mechanisms they are using? Did he raise those objections during those initial constitutional debates? I did not hear a word from him. I would challenge him to show me a letter he has written to the Prime Minister of Canada saying, "Mr. Prime Minister, we do not think the government of Canada should be communicating with the public of this nation."

Mr. Speaker: New question, the member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: A final supplementary, please, Mr. Speaker.

10:40 a.m.

Mr. Speaker: New question.

Mr. Cassidy: I have only had one supplementary, Mr. Speaker. On a point of order, the Premier chooses to speak at length and you indicated at the beginning of this session you were going to stop long answers and long questions. If you want to use your prerogative then go ahead, Mr. Speaker. If not, I should get another supplementary.

Mr. Speaker: Order. In my view there have been sufficient supplementaries. I would point out to the honourable members that we have spent more than half the question period on three questions. Could we please have a new question from the member for Ottawa Centre?

Mr. Cassidy: Mr. Speaker, on the point of order, before going to my second question would you please consult the ruling which was mailed to all members of this Legislature prior to the session in which you specifically stated that as Speaker, you intended to cease the practice of long answers coming from ministers

of the crown, or for that matter, long questions coming from spokespeople on this side of the House. I have not seen that behaviour. If you want to cut members of this party down, then for goodness sake, start to use your authority.

Mr. Speaker: Thank you very much for your guidance. I would point out to you that it was not a ruling. It was a request to all members of the Legislature.

If you are as familiar with the standing orders as you would have us believe you would know it is within my discretion to limit supplementaries and I am doing that. I have just received a note from one of your colleagues asking me to limit the excessive time the leaders have taken this morning.

Mr. Mackenzie: On a point of order, Mr. Speaker: If you are going to mislead this House with an answer like that, let me make it clear the note I sent to you was dealing with the time we have just spent on the leaders' questions. It was pointing out there was more time being used in responses from the cabinet ministers than there was in the questions and it was a misuse of this House.

Mr. Speaker: First of all I would point out to the honourable member that is not a point of order and you are continuing to waste time. If you had taken the time to read the memo, you would have seen I requested the co-operation of all members. I did not use the words but I certainly implied that long questions beget long answers.

I would ask all of you to use your own good judgement to co-operate in the interests of the operation of this House. In that respect I would ask the member for Ottawa Centre for a new question.

Mr. Cassidy: I would just say on a final point of order—

Mr. Peterson: If I may, Mr. Speaker, we certainly respect, under the standing orders, your prerogative to exercise your discretion. It is the exercise of that discretion with which a number of the members of this House are very unhappy. A leader's question generally—at least under your reign in the chair—entitles the leader to a supplementary. There is another supplementary which is passed over to another party and then back. I certainly think the leader of the New Democratic Party has a right to request a second supplementary for his own sake in this discussion.

What we find, Mr. Speaker, is sometimes you allow that and sometimes you do not allow that.

Frequently you allow supplementaries on the most trivial questions and do not allow them on the most important questions. It is that exercise of your discretion with which many members of this House are unhappy. When you choose to use your discretion you must be responsible for the exercise thereof.

Mr. Speaker: Order, order, order. I draw your attention to the obvious; you are completely out of order.

However, in the discretion I am exercising it has obviously escaped the attention of all the honourable members that the leader of the third party did have an extra question—no, you are talking to the current one. If we go back, the leader of the official opposition rose on a supplementary and had two I believe. We went over to the leader of the New Democratic Party. He rose on a new question. I referred to it and gave it to him as a supplementary. So he has, in fact, had the extra question. However, I would just ask the honourable member for Ottawa Centre to rise and ask his second question.

Mr. Cassidy: Mr. Speaker, I just make a final comment, which is—

Hon. Mr. Wells: Mr. Speaker, on a point of order—

Mr. Speaker: It is not point of order. It is not debatable.

Hon. Mr. Wells: Mr. Speaker, this is not on that point of order. The point of order is that it has been drawn to my attention by several members over here—and I must admit I was not present and did not hear it—that the words were used by one of the members that you had misled the House. I submit that is not a proper thing to have been said and should be—

Hon. Mr. Grossman: The member for Hamilton East (Mr. Mackenzie) just nodded his head and said he did say that.

Hon. Mr. Wells: I think that contrary to what you may think—

Mr. Stokes: Are you the Speaker?

Hon. Mr. Wells: No. I am just suggesting that if someone has indicated that the Speaker has misled the House, that should probably be withdrawn.

Interjections.

Mr. Mackenzie: On that point of order, if that is what it was, Mr. Speaker, I would suggest the Speaker read the entire note, simple as it was, that was sent to him. What he said left out an important part of the note and put the emphasis strictly on the leaders' questions. The way the

Speaker made that comment to the House about the note I sent him was misleading to this House.

Interjections.

Mr. Speaker: Order. The whole exchange was out of order and, as I pointed out, being out of order it just was not recognized. However, I would be pleased to read the comment: "Mr. Speaker, did you time the first question and subsequent leaders' questions? More government response time than opposition questioning—but a clear example of the excessive time on leaders' questions."

Mr. Speaker: The member for Ottawa Centre (Mr. Cassidy). This is a new question and it is not debatable. You are out of order. Order.

Mr. Nixon: Are you going to let him say that another honourable member has been misleading the House? I do not think we can allow that to go on. He did ask to have the note read, which has been done. To begin with, I do not think members' notes should be read by the Speaker or anybody else. Why does he not for once do the graceful thing and withdraw?

Mr. Speaker: I would ask the member to withdraw the reference he made.

Mr. Mackenzie: Having had the note read, I now withdraw the remark.

Mr. Speaker: Thank you very much. Now we will proceed with question period. The member for Ottawa Centre.

Mr. Cassidy: I have a final point of order to raise, Mr. Speaker, which is simply this. Prior to the session, you sent a note saying you intended to ask for limits on questions and on answers. It would appear that you intend to ask members of the government to co-operate but—

Mr. Speaker: Order, order, order. You have expressed an opinion that I do not necessarily agree with. Do you have another question?

MICROELECTRONICS DEVELOPMENT CENTRE

Mr. Cassidy: I have a new question for the Minister of Industry and Tourism, Mr. Speaker. Back in June, the minister indicated there would be an announcement about the microelectronics development centre slated to go into Cambridge or Ottawa by September, and specifically that he expected to have a final decision in early September. Since it is now late October, nine months less four days since the announcement in the Board of Industrial Leadership and Development program that this microelectron-

ics centre would be located somewhere in Ontario, can the minister indicate what the decision is? And will he assure the House that the microelectronics development centre will be located in the logical place, which is in the region of Ottawa-Carleton?

Hon. Mr. Grossman: Unlike the leader of the third party, I have larger responsibilities than just arguing on behalf of my home riding for the location of a microelectronics centre. I have the responsibility to recommend to this government where the centre should go, what should be in it, the people who should be participating with us in it, and the staffing of that facility.

This government, through BILD, treats that as one of the very major initiatives that any government in this country has taken in the area of high technology in the past very many years. Consequently, we decided to make sure there is available time for all the cities involved, and there are very many municipalities in Ontario that desperately want that centre. We decided to spend a great deal of time with people involved in the industry to see if we could get them to come with us in a joint venture in some way in the centre.

Finally, we thought it was appropriate to wait until the microelectronics task force of this province has reported to this government, which I expect to occur in the next couple of weeks. The microelectronics task force thought its report would be in a little earlier. It is not yet in, but as I say, I expect it in very shortly. Shortly after that, we will have some announcements to make with regard to the microelectronics centre.

10:50 a.m.

We have been fortunate to have some input from the very members of the microelectronics task force available to us in our deliberations with regard to the staffing, size and location of the microelectronics centre. I am convinced it will turn out to be a world-leading facility in view of the extensive work that has gone into it to date.

Mr. Cassidy: Supplementary, Mr. Speaker: The logical location of the microelectronics centre is Ottawa, just as the logical location of a computer-aided design and computer-aided manufacturing centre, which was also proposed in the Board of Industrial Leadership and Development program, is the region of Cambridge or Waterloo. In view of this can the minister explain why it was not possible long before now

to make the announcement that in principle the centre would be located in Ottawa and then to proceed to work out all the details?

Is the minister not aware of the degree of frustration that now exists among people in this rapidly-growing industry in the Ottawa area because they cannot plan for future facilities nor for the sourcing of products they are going to require until they know whether or not the province is serious about moving this project forward and whether it will be located in the Ottawa area?

Hon. Mr. Grossman: Mr. Speaker, when I stood up in the face of the beating the honourable member has been taking so far this morning I was really determined to be moderate and reserved in my response. I am going to continue to try to do that.

Mr. Bradley: That is very nice of the minister.

Hon. Mr. Grossman: It is not easy for me, and the member opposite should not tempt me.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Grossman: The remark the honourable member just made about people in the area being frustrated at not being able to make decisions really shows so little understanding of what is going on in his own home area that even I find it hard to believe.

The people in that area have spent a lot of time with my people. If there is one message they have been relaying to my people it is that we have to be careful, that we have to make exactly the right decisions not only with regard to the locations but also with regard to what components should go into those centres. They have urged us to get a great deal of input from the microelectronics task force.

If there is one thing I am most gratified by, in terms of validating the decision by this government to make that investment, it is the extreme degree of interest shown by the industry in what we are doing. There is not the slightest sense of frustration; there is only a sense of gratification, total support and a coming together of all the people in both the Ottawa area and the Cambridge area—unlike anything I have ever seen in any other situation during my time in government—to make sure not only that their communities get it but that it is right, timely, proper, carefully planned and has full support.

Any attempt by the member to relay to his home riding and for his own political purposes the message that there is a sense of frustration among the people in the industry out there is so

totally out of whack with reality that perhaps it explains some of his earlier questions this morning.

Mr. Peterson: Supplementary, Mr. Speaker: Why would the minister not consider in the placing of this centre the premise that it must be in conjunction with one of the existing universities? The universities are already under siege, they are being underfunded, a lot of them need new life breathed into them. This would be a perfect fit from a number of points of view, considering one of the engineering schools from one of the existing universities. Why would he not start there with this new program?

Hon. Mr. Grossman: Mr. Speaker, those options are being looked at by the ministry and the consultants we have retained to look at the centres. Some decisions will have to be made with regard to whether these should be added to existing university facilities or whether—in terms of their real application to Ontario industry, and the goal of CAD/CAM robotics particularly—they ought not to be closer to the client group that must have access to the facilities to make sure they use them.

In the case of the latter facility, CAD/CAM robotics, we are urging it become a place for the diffusion of robotics technology to our client group—the small and medium-sized industries throughout Ontario. So in considering its application to our broad industrial sector one of the key things we have to do in the locational decision is make sure it is in a place convenient to a lot of Ontario manufacturers. Otherwise they will not use this facility.

In the case of the microelectronics centre there are some very good arguments for joining it to the universities. However, I am satisfied the IDEA Corporation's funding to make sure that additional research—industrial and applied—occurs where it ought to occur, in the universities, will take place. All in all I think the member will be impressed with the package when it is finally put together, which I expect will be in a couple of weeks.

Mr. Cassidy: The minister said in June the decision would be made in September and at that time he said the location would be in Ottawa or Cambridge. Now he says it might be in one of a number of communities. Could he say when there will be an announcement? How many more weeks do people in the areas affected have to wait? What is his target date now for making a decision, making it public and getting on with the job?

Hon. Mr. Grossman: I expect to have a decision for my colleague some time in November.

TORONTO ICTS LINE

Mr. Cunningham: Mr. Speaker, my question is to the Minister of Transportation and Communications. On Tuesday I made reference to a report dated October 15, 1981, by the staff of the Toronto Transit Commission on the five-year intermediate-capacity transit system program along the waterfront. Initially the minister's response was that possibly I concocted this report. I have now sent the report over to him. How could the minister indicate in this House that he was unaware of this report? Is his staff not keeping him apprised of what is going on? More particularly, can he now explain to the House why the capital cost estimates on this proposal have gone from \$90 million to \$170 million in the course of eight months?

Hon. Mr. Snow: From what I have been able to see in the last moment or two, Mr. Speaker, I would explain that this is a report to the chief general manager of the Toronto Transit Commission from some of the staff of the TTC. It is not a report to my ministry. It may be possible that some of the staff of my ministry have seen it. If so, I am not aware of it. The date of the report is October 15, so it is obviously quite current but it would certainly appear to me to be an internal document of the TTC.

I believe the obvious answer to the \$170 million projection the staff have put in this report for a lakeshore system would be based on the fact that although the original estimate for the system was \$100 million, that was based on current dollars. It is shown here that this system is to be built from 1982 to 1986 and as in any construction project one has to build in the anticipated inflation allowance.

Mr. Cunningham: Why would the minister not have extrapolated these inflation costs over the years when the initial announcement on this project was made in January? Moreover, is he not concerned that the cost of this project, the necessity for which is in doubt, has almost doubled in the course of eight months? Does that not bother the minister just a little bit?

Hon. Mr. Snow: The projected costs definitely have not doubled in eight months. This project was first considered and talked about three years ago, in early 1978. I believe it was at that time I first mentioned the proposal for a lakeshore line. At that time a tentative estimate

as to what such a line might cost, based on very preliminary information, was \$70 million. From 1978 to 1981 that figure has been updated to \$100 million and that takes inflation into consideration over that three-year period.

It is like any construction project based on \$100 million in 1981 dollars. If the honourable member has some great secret way of assuring that there will be no inflation in the next five or six years, then he is a lot better off than I am. I remember the leader of his federal party in Ottawa told us quite a number of years ago that he was going to wrestle inflation to the ground. I am relying on him to keep that commitment. We know the Prime Minister of our country will keep his commitment and wrestle inflation to the ground. He just has not been successful in doing so yet.

11 a.m.

This is a projection of the Toronto Transit Commission staff in setting up a proposed possible cash flow for the construction of the system. The member will notice in the report I have had just a moment to look at that most of the expenditure takes place in the years 1985 and 1986 when actual construction would presumably take place. I think the staff have rightly considered that in putting forward a proposed cash flow for their executives to consider, they must put in what they think the actual current dollars may be in those years.

Mr. R. F. Johnston: A supplementary question, Mr. Speaker: Now that the election is over, does the minister not believe what we actually have here is just an expensive white elephant showcase for the Urban Transportation Development Corporation? Does he not believe the money being talked about now would be much better used in improving services in the heavily-used areas of our TTC system at the moment, rather than playing around with something which is going to cost the people of Metropolitan Toronto a fortune over the next number of years because it is going to be totally inefficient?

Hon. Mr. Snow: No, Mr. Speaker, I would not agree with any of the things the honourable member has said. First of all, this project is not proposed as a showcase. The honourable member may not be aware but the city of Toronto, Metropolitan Toronto, and the Harbourfront organization have major plans for development in the waterfront area or the area of Toronto south of Front Street.

The honourable member seems to think a major development such as that can take place

on the Harbourfront lands and on the railway lands and that there can be projected developments at the Canadian National Exhibition and a continuation of other private developments in that area without having some planned transit system to handle it. I think it would be very inappropriate for this government, the TTC and Metropolitan Toronto not to be looking at a lakeshore system that would be a part of the total public transportation system of Metropolitan Toronto which could be extended east and west. One cannot build everything at once.

One must also take into consideration that with the great assistance of my colleague to my right—he is not usually to my right but today he is on my right—a new trade and convention centre will be built in that area and other expansion will take place.

The member will recall when the TTC started to build the subway. Even at my age I can barely remember back that far, but I remember when Yonge Street was all dug up. The TTC did not build the Yonge Street subway from Union Station to Finch Avenue at one time. It started with a reasonably sized system and expanded. This is what should take place on the lakeshore.

Ms. Copps: On a point of order, Mr. Speaker: Since the minister took double the time of the question that was asked to answer the question—

Mr. Speaker: Order. The member for Hamilton East with a new question.

MCDONNELL DOUGLAS LAYOFFS

Mr. Mackenzie: Mr. Speaker, I have a question for the Premier regarding yesterday's announcement that workers who are members of Local 1967, United Automobile Workers, at McDonnell Douglas would suffer another 550 layoffs, probably to be completed in the first two months of the new year following completion of the current layoffs of 850 members of that local.

The recent announcement by the Australian government that it is also purchasing F-18s has resulted in yet another layoff. It seems every time there is a sale of F-18s there is a further layoff of workers.

In view of these developments, is the Premier prepared to sit down with those workers and make some effort to see that alternative operations are put into that plant? Perhaps it could be in the light rail field or some other item that could be manufactured at McDonnell Douglas. But something should be done before we totally lose the capabilities and skills in that plant.

Hon. Mr. Davis: Mr. Speaker, I was aware late yesterday afternoon of the additional layoffs at McDonnell Douglas and we are, as a government and in a more personal sense, very concerned. Going back a few months relative to the situation at McDonnell Douglas and my discussions with both the company and the union representatives, the government, the Minister of Industry and Tourism (Mr. Grossman), people in his ministry, and even the Premier took what initiatives were available to us to see what might be done to assist in some way at least with respect to that facility.

I am not sure what the decision of the government of Australia will be with respect to the F-18, what impact it may have. I personally went to St. Louis to discuss with the chairman of the board and senior personnel at McDonnell Douglas the possibility of further work within the Malton plant.

It is fair to say the company was receptive to the idea of seeking out work that was not totally related to McDonnell Douglas itself. As perhaps the honourable member knows, it has had a corporate policy traditionally of not bidding on components or parts going into the airframes or parts of other aircraft manufacturers. I believe there is some consideration which may provide some avenue of extra activity.

I also made it clear when I visited St. Louis that, in my view, McDonnell Douglas Canada as a Canadian corporation had every right to bid in the offset program. With respect to the offset, there has been some sense that McDonnell Douglas Canada was not to have bid on some of the components. During the course of my visit it became obvious that, while they would not disclose the figures to us, they could not because they were to evaluate the various proposals.

As the honourable member knows, the government of Canada—I am not being totally critical of this—once the initial bids were in, suggested the bids be delayed so that Canadair could bid on one or two of the packages.

The end result of that was that McDonnell Douglas Canada ultimately was awarded either two or three of the packages with respect to the F-18. The problem involved in that is, while the dollar amount is of some significance, there is a time lapse, and the number of men employed for those three packages, or whatever number, would not offset the number of men at Malton who are engaged in the commercial production.

The difficulty is fairly simple. It is of great concern to me personally and to the govern-

ment. The ministry is making every effort. They have had a particular individual involved in discussions with the company and with the union, and will continue to seek other avenues of activity for that particular facility. They have an excellent work force. I do not say that because a number live in my riding, but because they are a very competent group of people.

The problem is, there is a depressed market in the commercial aircraft field generally. The DC-10 has been a particular problem, unfortunately. While McDonnell Douglas are very confident about the acceptability of the new super 80 or 800 series of the DC-9 in the commercial field over the longer term, sales of that aircraft have not been as great as they had anticipated or had hoped they would be.

My personal assessment—in which I could be in error, but I do not think so—is that the people in St. Louis have a genuine interest in seeing in what ways they can increase the activity at the Malton facility.

It is also true, if the member checks the figures, although it does not solve anything, that the facility in Long Beach has faced some rather significant layoffs for the very same reason. The components from Malton go primarily to the Long Beach plant, where McDonnell Douglas has also had substantial layoffs because of the relatively depressed state of the commercial aircraft industry. They are having some difficulty at this moment with respect to the new DC-9; I think it is the super 800 series.

11:10 a.m.

Mr. Mackenzie: I recognized earlier the comments of the Premier about the support he had from United Auto Workers, and I presumed he would be receptive to efforts to see that the jobs were maintained there.

He is correct that the several proposals for getting out of some of the aircraft work and into things like light rail transit components may be part of the answer in that particular plant.

Inasmuch as the meetings with the federal people about a number of specific proposals, including the four-day work week, got no support or no real reaction whatsoever, the ball is in the Premier's court.

Can he give some kind of assurance that there will be a real effort made to see that they get into some diversification so that the jobs at McDonnell Douglas can be protected and possibly some of the layoffs can be prevented before the end of the year, both the current 850 layoffs and the 550 additional layoffs to come?

Hon. Mr. Davis: I can assure the honourable member that the ministry has been working very hard in trying to find ways and means of having work that is not necessarily related to the aerospace industry at that facility.

In fact, the minister informs me the ministry is organizing a seminar on Monday with respect to the new Canadian patrol frigate program announced by the government of Canada. I think it is a \$2.3-billion program. People from McDonnell Douglas Canada have been invited to participate in that seminar to see if there is some part of that work that might be included in the facility at Malton.

I assure the member that the ministry will, and I certainly shall, continue to see if there are some other activities that could be located at the Malton plant of McDonnell Douglas, not just because of the physical plant but also because of the competence of the work force.

INTRODUCTION OF BILLS

U.F.F.I. REMOVAL ACT

Mr. Swart moved, seconded by Mr. Philip, first reading of Bill 153, An Act to provide for the Removal of Urea Formaldehyde Foam Insulation.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of the bill is to provide recourse to persons who had their dwellings insulated with urea formaldehyde foam insulation. It follows the pattern of the Massachusetts bill.

An expeditious method is provided for obtaining an order for removal of the insulation and restoring the dwelling to its former state by the foam industry, or for reimbursement where the owner had the insulation removed.

The only elements required to obtain an order are evidence that the insulation was installed, the name of the installer, distributor and manufacturer and of physical harm occurring.

The application for the order is submitted to chief officials who are appointed by municipalities under the Building Code Act. The chief official, after checking the application, forwards it to the director of the building code branch, who is empowered to make an order dealing with the matter.

CITY OF HAMILTON ACT

Mr. Charlton moved, seconded by Mr. Cooke, first reading of Bill Pr22, An Act respecting the City of Hamilton.

Motion agreed to.

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MANAGEMENT BOARD
OF CABINET

Mr. Chairman: It is my understanding the minister will have an opening statement.

Hon. Mr. McCague: Mr. Chairman, I am pleased to present the 1981-82 estimates of the Management Board of Cabinet for consideration by this committee. In my statement, I will make reference to our continuing efforts to improve productivity, to control growth in the public service and to maintain and further improve both individual and program performance.

It is generally recognized that the complex demands of the 1980s pose new challenges for management, particularly for those who manage in public sector environments. I think it is appropriate, therefore, to start by expressing my appreciation of the public servants who carry on the business of government and deliver the programs on behalf of the government.

Erosion of respect for our public servants has been an increasingly disturbing trend in our society. Perhaps we are all at fault at times, those of us in this House, our friends in the press gallery and the public at large, since, regardless of the problems, we rightly expect excellence.

Public servants are an easy target. Bound as they are by our parliamentary traditions, they cannot readily speak out on their own behalf. Yet in my tenure in four ministries and in my current contact with the staff of many ministries, I have seen, for the most part, dedicated, concerned and effective people doing their best to carry out the wishes of government on behalf of the people of Ontario.

We will continue to seek improvement and excellence, and to limit resources, while demanding results. In doing so, we depend on our staff, and I would like to commend publicly that large majority of public servants who deserve our praise and who have a right to be proud of their efforts and their public service.

In presenting the Management Board's estimates, I will be reviewing the actions that have been taken during the past year to ensure that

Management Board's dual role as general manager and employer is carried out in the most efficient and effective manner.

Before outlining the various programs and initiatives of the Management Board secretariat and the Civil Service Commission, I wish to draw the members' attention to the results achieved through this government's expenditure policies over the past few years.

Ontario's record of fiscal management is well documented in the 1981 Ontario budget. Over the past six years, the rate of growth in provincial spending has consistently been held below the rate of growth in the economy.

During the past five years, provincial expenditures increased by 38.5 per cent, while inflation jumped by 39.5 per cent. Excluding inflation, provincial spending actually has decreased by 0.7 per cent over the past five years. Nevertheless, the government has been able to introduce new programs and enrich priority areas by careful redeployment of funds.

Management Board has responsibility for monitoring expenditures during the fiscal year. Through internal constraint programs and the identification of savings, in-year pressures for increased funds to meet changing needs are met largely from within the approved expenditure base.

11:20 a.m.

For example, during the past five years, \$1.97 billion of in-year expenditure increases were offset by \$1.94 billion in reductions. On average, actual spending was held to the original expenditure ceilings from 1976-77 to 1980-81. We have also made significant strides in restricting the growth of the civil service in keeping with our general constraint policy.

I might point out that all of the levels of the service have been subject to controls, including the executive ranks. As of October 1981, there were 588 executive positions in ministries. This represents a net reduction of 101 executive positions since the first controls were introduced in January 1976.

Overall, the size of the public service has decreased by 4,950 persons, or 5.7 per cent, from 87,109 in 1975 to 82,150 on March 31, 1981. Considering that the provincial population grew by 400,000 persons during this same period, the population served per public service position increased from 94 to 105, or 11.7 per cent.

These figures reflect this government's continuing commitment to increased efficiency in the use of human and fiscal resources throughout the Ontario public service. They also serve

to reinforce my earlier comments on the dedication and competence of our public servants, who are truly doing more with less.

I would now like to outline for the honourable members some of the projects undertaken by the Management Board secretariat on the board's behalf that are assisting government managers in meeting the administrative demands of the 1980s.

Managing by results—or MBR, as it is commonly referred to—is an approach to management, a basic style of program management, which focuses equal attention on resources and results. Management Board introduced the MBR approach to government program management in 1973. There has been a phased implementation of MBR to the point where almost all operating expenditures are now covered.

Over the years since 1973, improvements have been made to the MBR approach. During the past year a task force of senior government executives was convened to examine the existing program and its current status of implementation and to develop a plan to make such additional improvements as were appropriate to managing by results.

Management Board reviewed the report of the task force in February 1981 and approved an MBR improvement plan which is currently being implemented. This plan reaffirms the essential and increasing importance of managing by results, acknowledges the progress made in developing results-oriented management processes and sets forth a program for improved managing by results, with the objective of achieving significant improvement in a number of specified areas by March 31, 1983.

As all members are well aware, the common private sector results criterion of profit and loss is not available to the manager in the public sector to provide a basis for performance measurement and for the evaluation of results. As a consequence, we along with others in government are working to improve management control, accountability and performance measurement to increase the focus on results for resources expended.

Ontario is in the vanguard of actions to improve management in the public sector, and our MBR program is an essential and successful element of our efforts in this direction.

Another major initiative undertaken by the board to advance the quality of management in the Ontario public service is the management standards project. Established in the spring of

1980, the project provides a focal point for the many management improvement initiatives being undertaken by ministries and central agencies.

The board's mandate is to lay the groundwork for further improving management in the public service over the next decade. Considerable headway has been made with this project over the past year. A brochure describing the Ontario government's philosophy was prepared and subsequently approved by cabinet in December 1980. With the aid of a videotape, it is currently being introduced throughout the service, providing all of us with a common set of principles and beliefs to direct our management efforts through the 1980s.

A two-volume inventory of management processes was published, consisting of an index and abstracts of all management processes used in every ministry throughout the government. All ministries have received copies of the inventory, providing them with a reference on where they might obtain further information on management practices currently being used in the service.

To complement the inventory itself, an inventory showcase was held on March 12, 1981. Seventeen ministries, central agencies and internal councils participated in this first-ever event, sharing information on their management processes with more than 700 government managers.

The project also sponsored a conference, *Managing in the Eighties*, held in June 1980, which brought together more than 100 of the more senior managers in government to discuss the challenges facing management in the new decade. A series in *Topical* was initiated on *Managing in the Eighties*, profiling the efforts of several government managers to respond to the changing requirements of their managerial role.

Over the next six to 12 months the project will concentrate on producing a government-wide publication series entitled *OPS Management*. These publications will document a consistent set of management principles, terms, processes and standards recommended for use by all government managers. A management training and education program to complement the publication series is being planned in conjunction with the Civil Service Commission.

We expect these efforts will combine to dramatically increase the awareness which we all must attach to managerial performance in the years ahead.

Management Board reviewed the important subject of internal audit this past year. On the

advice of an interministry task force on audit policy established by the board, the government adopted an advanced form of internal auditing which is comprehensive in nature. The new form of auditing goes beyond the traditional financial audit process to include the auditing of both financial and management controls.

Management controls are those concerned essentially with value for money and accountability. This change makes the auditors key members of the management team. They will test the quality of vital control information and report their findings to the ministry managers and the deputy minister. This will ensure that the controls so essential to our value for money and accountability efforts are regularly evaluated and, where necessary, improved.

Introducing this new form of auditing will take time. While the major responsibility for implementation rests with ministries, the Management Board secretariat, in close co-operation with the internal auditors' council, the Minister of Treasury and Economics and the Civil Service Commission will provide necessary support.

The secretariat's supporting role encompasses the following initiatives: the publication this past August of a brief brochure on internal auditing from a manager's perspective; a soon-to-be-published reference document describing the internal audit process, including standards to be attained; and a videotape of internal auditing, due to be released this month.

The Civil Service Commission's supporting role includes the following: a study of internal audit staffing and training issues, and provision of central training in new methods and techniques to augment existing central training in the area of electronic data processing systems.

Finally, I would like to point out that the direction established by the government for the development of the internal audit function is completely compatible with that recommended by the Provincial Auditor in his 1979-80 annual report.

Turning to the subject of government accommodation, Management Board, working closely with the Ministry of Government Services, recently has changed the processes for the provision and ongoing management of government accommodation. These changes have been introduced to ensure that, in a time of rapidly rising costs for building, buying, leasing and maintaining accommodation the government's needs for accommodation will be met as economically as possible.

We have undertaken the development of a formal five-year plan for the provision of accommodation program. As part of this five-year plan, thorough reviews are scheduled for each major project to determine essential requirements, priorities and the most efficient method of providing the accommodation.

The planning process also supports improved co-ordination of the need for and supply of accommodation and enables strict control of accommodation project costs.

To improve the ongoing utilization of accommodation, ministries are to be provided with better information on the amount and cost of the space they occupy.

On an annual basis, each ministry will be required to review a statement of assignment accommodation which documents its holdings of six categories of leased or owned space and records the associated rental costs. These rental costs will include the actual or equivalent market rental costs as well as the upkeep costs.

This information will enable government managers to make more effective decisions about the need for new space or for the continued utilization of existing space to support their programs. It will also enable better overall documentation and monitoring of the government's diverse accommodation holdings.

11:30 a.m.

A review of corporate management initiatives under way would be incomplete without mention of the role technology plays in contributing to effective and efficient administration.

This government has displayed leadership in the use of information technology in the management and operation of its programs. One measure of this leadership is the Ontario annual investment in these areas. In 1981-82, this investment will be more than \$100 million. A large portion of these investments, and the corresponding innovation and new-technology products, have been acquired competitively from a growing industry in Ontario.

Increasingly, new technology forms are being used to increase our efficiency and effectiveness. For example, extensive use is made of computers in various map-generation activities, in remote sensing to monitor water and air quality, in administering our correctional institutions and in health and education.

These developments proceed in an administrative policy framework that permits flexibility, encourages innovations and use of the private sector but at the same time insists on

appropriate return on investment. We look to information technology to provide continued government productivity gains in the future.

Management Board is proactively preparing for these opportunities with a number of initiatives to provide leadership as we advance into the 1980s. An example of this type of initiative is the automated office information exchange seminar we recently convened, attended by more than 90 government managers, to share results and expectations of a number of office automation pilot activities under way in several ministries.

During the past year, we have established a committee of deputy ministers to guide the development of appropriate technology development strategies and policies for the government in the 1980s. We also established a systems council, composed of representatives from the information technology areas of each ministry, to more readily exchange innovative ideas and develop co-operative solutions to common problems.

Other proactive initiatives are concerned with the development of appropriate common service facilities to better serve our needs in the future. For example, we have initiated development, with a number of ministries, of a pilot data communications network for the government. A similar initiative is well advanced for co-operative radio communication facilities planning among all ministries and agencies that operate such networks.

We view it as our task to promote awareness and adoption of new-technology tools to improve the government process. Through its policies, Management Board will ensure that this adaptation occurs in the most cost-effective manner possible.

While most of Management Board's efforts are directed towards the internal management of government, it has been involved this past year in two major projects that impact the private sector.

Regulatory reform: In my last report in these circumstances, I was pleased to describe our involvement and progress in deregulation of records retention as it applies to the private sector. Many businesses in the province, by law, have certain obligations to the Ontario government. In response to criticism that this relationship has been strained by a heavy burden of paperwork, we launched a thorough study of all the regulations that require businesses to retain records for specific lengths of time.

Working with a number of private sector

interests and all ministries, we found that 211 regulations contained such a requirement. The review recommended that 142 of these be modified to make clear what, if any, record-keeping requirement should apply.

Considering the large number of organizations involved and the high costs of storing information in the business world today, we feel that significant savings can be achieved by relaxing the requirements where appropriate. In some cases, simply by clarifying our intentions, we can eliminate the need for a firm to ask the government for permission to destroy relevant records.

We have now identified where these standards are lacking, and we have developed a mechanism to ensure that this issue is addressed whenever new legislation is drafted. In the near future, we expect to be able to publish in one document all the records retention requirements reduced as a result of this initiative. It is my expectation this will be a welcome and valuable reference for those many businesses and agencies affected.

Public sector purchasing dollars have a significant role to play in supporting and stimulating Canadian manufacturing and research capabilities. To ensure that Ontario's purchasing dollars are used most effectively in this regard, last year the Management Board secretariat and the Ministry of Industry and Tourism jointly undertook a study of the government's purchasing policies and practices.

The purpose of the study was twofold: First, to identify strategy for further increasing the effectiveness of government purchasing as an industrial development tool; and second, to ensure that the goods and services which are needed to conduct government programs continue to be acquired and managed efficiently, effectively and economically. The first phase of the study was completed last November.

Some of the initiatives arising from phase one which are now being implemented include:

1. Greater standardization of government purchasing forms and government purchasing practices. This should further facilitate access by potential suppliers to government business.
2. The establishment of a corporate review mechanism to identify and facilitate access by Canadian suppliers to those government purchases which are significant, either because of the size of the purchase or its potential to lead to industry development.
3. Advance notice to potential suppliers concerning the government's high technology

purchases. This should, we hope, be particularly helpful to Canadian companies in the high tech field who are frequently smaller and more highly specialized and who consequently need more time to respond to government requests for proposals.

These initiatives are being undertaken in conjunction with the newly established office of procurement policy in the Ministry of Industry and Tourism, as is the second phase of the purchasing study which is currently under way.

Access to government business has been an important consideration in the current review, and in particular access by small business which makes such a significant contribution to our economy. As part of the purchasing study, the secretariat and the Ministry of Industry and Tourism undertook a survey of the purchase orders which were issued by government ministries during the 1979-80 fiscal year. The results of the survey showed that small businesses received 58 per cent of the total value of government purchases—exclusive of purchases for petroleum products, automobiles, road salt and construction projects—and 69 per cent of the purchase orders which were issued.

A sampling of the purchase orders issued during 1980-81 will be undertaken shortly to update these findings, and my colleague, the Minister of Industry and Tourism (Mr. Grossman) will be tabling the results early in the new year. I can assure members, however, that access by small business in supplying goods and services to the government will continue to be a priority for us.

Agencies: Before moving to a review of the activities of the Civil Service Commission, I would like to mention briefly a recent development in the administration of agencies. The Ontario government relies on its 278 agencies for advice on a wide range of issues and for some program delivery and control. The effective administration of agencies continues to be of prime concern to the government in general and Management Board in particular.

The sunset review of agencies was incorporated into the manual of administration in January 1981. Through this process and through the memorandum of understanding for operational and regulatory agencies, the exact roles and responsibilities of agencies and the usefulness to the policy development and program delivery process are determined.

Other administrative issues we are addressing this year include anomalies to existing policies, particularly in the establishment and staffing of

new agencies, in the remuneration of agency personnel and in improved financial controls over agencies. I look forward to reporting on the results of these studies at some future date. The Civil Service Commission is in the process of gathering appointment and staffing information on those agencies in schedules 1 and 2 who hire full-time staff. To provide members with an outline of the activities directly related to personnel administration, I direct my comments to the Civil Service Commission.

For the information of new members in the House, the Civil Service Commission represents the other half of my ministry. The commission is responsible to me for administering the Public Service Act and for the development of other related personnel policies.

11:40 a.m.

I would like to note some highlights of the current activities in which the commission is involved. The continuing need in the foreseeable future to do a great deal more with fewer resources requires management skills significantly different from those required to manage in times of plenty. To ensure that the Ontario government has people with the right skills, a more proactive approach is being taken to executive manpower development. Accordingly, we are encouraging and assisting senior staff to broaden their skills base and to develop corporate perspectives by means of career rotational moves and by secondments within the service to other jurisdictions. Of 193 appointments made in the 1980-81 fiscal year, 43 were by means of career rotation or secondment.

We have also developed an executive skills profile to be used in the assessment of executives for promotability and to better identify developmental needs. The profile has been pilot-tested in six ministries, is being further refined and will be introduced into the balance of the ministries.

We are now expanding the in-house executive education program. The existing program, which consists of an annual one-week seminar for senior executives focusing on the interaction of government and society and two one-week seminars for program managers dealing with the structure and process of government, will be enlarged to provide executives with more courses at all stages of their careers. An advisory committee headed by a deputy minister and with four line executives as members has been established to assist the commission in ensuring that the content of the program is focused on the needs of management in the 1980s.

Closer ties are being sought with educational institutions throughout the province in order that more effective use can be made of their resources in meeting our needs for executive development. We have also established with Carleton University a fellow in public administration program, in which other provinces will be joining. Discussions are under way with other Ontario universities to establish similar programs.

Human resources planning and career development within other areas of the civil service are of increasing concern to us. Our review of data regarding seven key service-wide occupational groups contained in government computerized employee information systems has recently been completed. Reports that have been prepared on each of the groups focus on such aspects as age profiles, potential retirements, turnover, career progression and potential career opportunities. These reports are being communicated to all concerned parties in order to verify concerns and address problems highlighted by the survey.

The Civil Service Commission, through its performance appraisal policy, continues to place a strong emphasis on improving job performance throughout the service. Over the past six months, we have conducted a comprehensive review of performance appraisal programs within ministries and we are very encouraged by the demonstrated commitment by ministries to performance management. Recommendations for further enhancement of performance appraisals throughout the Ontario public service are now being developed. We are consulting with ministries to assist in the development of performance appraisal programs and, in this regard, the performance appraisal resource centre continues to be a valuable reference point on the subject for use by ministries.

Quality of working life: Following extensive discussions with the union, a statement of purpose and shelter agreement was signed in February 1981, reflecting the intent of both the union and the employer to jointly support quality of working life initiatives in the Ontario public service. The joint working committee composed of commission and Ontario Public Service Employees Union (OPSEU) staff has been providing information sessions at potential ministry sites where interest has been expressed. Our intention is to encourage two or three experimental programs and then to evaluate carefully the outcome from both the employer's and the union's point of view.

In the area of staff development, approximately 3,500 employees participated in 188 courses and workshops and more than 300 days of management consulting were carried out by the staff development branch at ministry work sites. During the fiscal year ended March 31, 1981, more than 500 employees received instruction in the French language. This will, of course, assist us in the provision of services to Franco-Ontarians. Also, the Ontario-Quebec summer exchange program continues to provide a valuable cultural and employment experience for selected students from both provinces. This year, 95 Ontario students worked in Quebec and 150 Quebec students were employed by ministries in this province.

On the subject of training in general, I would like to mention that we are continually reviewing the programs provided centrally in order that they will meet current and future needs. This has resulted in a number of initiatives not only in the content of training programs but in the way in which they are provided.

I have already referred to the training that is under way to meet the expanded role of internal audit. Other initiatives in progress include measures to equip public servants with skills that will enable them to adapt to changing technology, particularly in view of the increasing adoption of word processing.

I would like to make special mention of an area where skills training is being focused on an important function: namely, that of personnel management. With the continuing emphasis on the delegation of its authority to ministries, the Civil Service Commission views it as increasingly critical that both personnel practitioners and line managers be adequately trained to ensure both consistency in the application of personnel policies and procedures and the equitable treatment of employees.

To this end the Civil Service Commission has been delivering workshops for personnel administrators in the areas of position analysis and evaluation, job description writing, classification, grievance handling and the recruitment-staffing process. As a further assistance to ministry personnel branches in upgrading line managers' knowledge of the personnel function, the Civil Service Commission has been providing training courses in performance appraisal. Training packages in grievance handling and in staffing have also been developed. In addition, training courses on attendance awareness and improvement are being delivered by ministries to ministry supervisors to enhance their aware-

ness of absenteeism as a performance problem and to assist them in managing more effectively. The Civil Service Commission is responsible for the development of service-wide policies in this area and for the monitoring of experience and the provision of training aids.

In October 1979 the Civil Service Commission initiated a program to improve opportunities for handicapped persons to gain employment in the Ontario public service. The designation of 1981 as the International Year of Disabled Persons emphasizes the importance of employment in assisting handicapped persons to achieve their rightful recognition as fully contributing members of society. The Civil Service Commission has adopted policies and issued guidelines designed to eliminate obstacles to recruitment, referral and selection. Also provided is an outreach recruitment service for agencies representing handicapped candidates to facilitate access to available jobs in the Ontario public service. The program will be extended to other parts of Ontario during the remainder of this year and in 1982.

GO Temp employees are appointed as group 1 of the unclassified service and are administered by the recruitment branch, Civil Service Commission. Although the majority of assignments under GO Temp are in the clerical and office support categories, from time to time temporary assignments may be available for professional, administrative, technical and operating areas. GO Temp services operates on a zero-based budget and bills ministries and agencies at the end of each calendar month for the temporary employee services provided. The number of employees registered with GO Temp is normally around 5,000, with approximately 1,200 to 1,400 out on assignments at any one time. These services are optional to ministries and provide a cost-effective method of fulfilling ministries' needs for temporary assistance.

A central fund has been established with recruitment branch to facilitate the placement of surplus staff by allowing ministries to claim more salary protection and retraining costs.

May I have some Adam's ale, please?

Mr. T. P. Reid: It is awfully dry over here, too.

Hon. Mr. McCague: I noted the member's comments last night, which fell in the same category.

Mr. T. P. Reid: That is amazing. I was not here last night.

Hon. Mr. McCague: No, it was not last night; I was reading what the member had to say in

Hansard—that was it. I have got it all marked up with very profound statements here. He wanted me to talk all morning, he said last night. What is his wish now?

Mr. T. P. Reid: Wind down.

Hon. Mr. McCague: Wind down?

A policy enabling management employees to accept payment in lieu of notice has been developed and implemented. The proposed moves of the Ontario Health Insurance Plan and Ministry of Transportation and Communications to Kingston and of the Ministry of Revenue to Oshawa are being supported by a staffing strategy designed for those circumstances.

11:50 a.m.

The recommendation of the Board of Industrial Leadership and Development program that permanent part-time work arrangements be implemented in the Ontario public service has resulted in a study being conducted in this area. There are approximately 9,000 employees on the unclassified staff who work less than a full day, a full week or a full year but who are employed on an ongoing basis. We are investigating the feasibility of converting these employees to the classified staff, and have been carrying out discussions with the Ontario Public Service Employees Union to this end. In addition, there are many employees in the classified service who might wish to opt for part-time work if it were made available to them. We are therefore also considering strategies for the conversion of full-time positions to part-time.

In a work force as large as that employed by the provincial government it is important that any upward change in average pay grades across the service be identified and the reasons examined. In July of this year the Civil Service Commission developed a statistically reliable monitoring system that enables them to quickly identify and address such changes. In the future this and a number of other recently-developed computer-assisted reporting mechanisms will provide both the Civil Service Commission and ministries with timely, accurate and meaningful position administration and classification data. Such data not only are essential to the corporate decision-making process but are needed by operating ministries in managing their personnel responsibilities and in assessing whether performance expectations they have set for themselves have been achieved.

To ensure that classification systems measuring the relative worth of jobs be kept current the Civil Service Commission has a number of

major classification standards projects in progress. The objective of these projects is the identification and elimination of inconsistencies in the area of equal pay for equal work. The projects affect some 20,000 employees, the majority of whom are women.

I should like once again to make members aware of the concern that Ontario government employees have for the wellbeing of the members of their respective communities. Last fall in 31 United Way campaigns throughout the province approximately 35,000 employees donated \$913,000 for human care services. This represents approximately a 19 per cent increase over the preceding year.

The 1981 United Way campaigns are now under way, and to these organizers and campaigners I wish to express sincerest appreciation on behalf of the government of Ontario for their interest and support and to extend best wishes for a successful campaign.

This spring's campaign in the Metropolitan Toronto and surrounding area for the Canadian Cancer Society and the Ontario Heart Foundation resulted in a 22 per cent increase over 1980. This new record of approximately \$190,000 brings the total of voluntary employee donations for charitable purposes for this fiscal year to more than \$1.1 million.

In addition to their financial contributions, staff continue to support the Red Cross blood donor services program. In Toronto during the last fiscal year just under 3,000 units of blood were donated. The Ontario government will continue to co-operate with the Red Cross by supporting in-house clinics. Towards this end, and in order to meet the ever-increasing demand for volunteers, the June clinic in the Queen's Park complex was serviced by government staff trained by the Red Cross at the registration desks and in the donor rest area. This is a small role in which we along with several other major employers are able to let our employees participate in a positive manner with the Red Cross in their efforts to recruit volunteers.

One must appreciate that such tremendous support for all these programs does not just happen. A great deal of planning and organizing must go into every campaign, and I would like at this time to acknowledge the hard work and dedication of the staff who volunteer their energy for their leadership and general canvassing. To them and to the donors who so generously supported these programs I say thank you.

In my opening statement last December on

Management Board estimates I referred to the fact that the government, the union and the employees involved were concerned about the fairly large backlog of grievances that had built up over the past few years. I advised the standing committee on general government at that time that we had added 18 vice-chairmen to the panel and had appointed a special vice-chairman to expedite and mediate outstanding grievances with a view to resolving a number of grievances without the need for a hearing.

I am pleased to advise that these changes have produced the intended results. We are now at the point where all public service grievances filed before January 1981 have been heard or scheduled for hearing, and from here on the grievance settlement board will be hearing grievances on a current basis.

A significant number of grievances filed by employees of the Liquor Control Board of Ontario and of the Liquor Licence Board of Ontario are still outstanding. A special vice-chairman has been reappointed for another year, and he is now concentrating his efforts on these grievances. I would hope and expect that he will achieve the same favourable results he did with the public service grievance.

Mr. Chairman, these are the highlights of our current programs.

Mr. Chairman: We are in committee of supply, and we thank the Chairman of the Management Board for his opening statement.

Mr. Nixon: Mr. Chairman, I suppose I could begin by congratulating the minister on his relatively good labour relations over the past year. The settlements have been arrived at without very much acrimony that I have been aware of. It is quite a relief not to have threats of the withdrawal of services of one kind or another, or at least the continuation of problems in these negotiations, hanging over the other work of the Legislature.

The matter of the minister's responsibility has given me more and more concern, however, since he describes his own position as really being that of general manager of the government. In his report he has indicated his pleasure, which we all share, with the participation of our employees, 82,000 plus of them, in the United Way and in blood donor clinics. There was a time when the Management Board, or at least its precursor, had many more important things to do with the business of government. Before the committee on government productivity emasculated it and changed its name the then treasury board was enough to make ministers

pale and tremble, let alone deputies and other bureaucrats. The treasury board, run by the Treasurer, ran the government in much more than a management way.

I have a great deal of sympathy for the minister. He says he is the general manager, but he is instructed by the treasurer of the corporation to do everything he can to support the treasurer's intent to balance the budget. Then the chairman of the board comes along and says, "Yes, I agree with that, but right off the top I want a \$10.8 million jet plane." It must be a problem for the minister to take seriously the admonitions he receives in this House and from his colleagues in the cabinet to move towards a balanced budget and to be seen to be a management-oriented, business-type government when the decisions taken by his superiors are so costly and irrational.

The Premier (Mr. Davis) has really had a bee in his bonnet ever since the House, by information revealed in this very chamber, criticized him for taking free flights to Florida and going with his buddy Gerry Moog to ski in Vermont using government planes. I do not necessarily want to rethresh that old straw; it is all factual and on the record; the people have judged whether or not they thought it was a politically terminal mistake and they have found that it was not.

But even over the years since then, when the Premier more or less came to his travel senses and started paying for his own private trips, there has always been the feeling that—when he met the Premier of Alberta, for example, the Premier of Alberta had his own airline as well as his own private jet. I have always felt there is a certain competition between the Premier of Ontario and the Premier of Alberta for who would get there first or who would fly the highest or who would have the highest public opinion polls. I think before history is written out in this country those two fellows are going to have to square off, and I cannot wait for the occasion.

But the Premier once again is certainly not going to be outdone jet-wise by any footling western Premier. So we have undertaken an expenditure that I am sure the Chairman of the Management Board has had to approve in one form or another, even if it was just not to say anything—which I am sure the minister is good at.

The jet is a great gift to the opposition in some respects, because almost every program we put forward about which the government has said,

"We cannot afford it. Where are we going to get the money?" almost always fits nicely into part of the cost of that ridiculous airplane.

12 noon

As a matter of fact, just last night I saw clips on the news of this thing with its enormous double jets sticking out at the back. Of course it is down in Texas now being refurbished with what they call, euphemistically, executive configuration. Undoubtedly that means a bar at the back.

It must be a source of concern to the general manager to change the whole direction of the policy of the government of Ontario, simply to fulfil the whim of the Premier—who, after winning a majority in the last election now feels that all of these troublesome little shadows in his career can be painted over once and for all. The person who is boss is going to have his way, even if it is on his way out.

The enormity of the commitment of the money is that even at 15 per cent interest on the money that undoubtedly we will have to borrow to buy the plane, \$1.6 million has got to be committed in interest payments. It is quite a gift to the opposition, to tell the truth. The city of Brantford has little or no post-secondary facilities whatsoever. The only thing they have is an \$18,000 grant from the Ministry of Industry and Tourism. In his successful attempt to elect his friend, that minister gave us this grant to see what could be done by way of getting consultants to tell us how to move away from the one-industry-town syndrome. That \$18,000 is still being spent doing something or other; but one of the recommendations is that we have no post-secondary education, what we need is the co-operation of the surrounding community colleges and universities to give us a post-secondary facility that would enable our young people to compete on an even basis with other communities.

By coincidence, the price tag is just about \$10 million to provide post-secondary education for a major city in Ontario. We have been trying to do this ever since Dick Beckett was elected by the Tories in Brantford. He did his best to do something for the town. The Premier put him up in the back corner and let him rot there. They did not do anything for the city when they should have. They expedited the road a little bit, which I took credit for since it was in my area. But that is not an important thing.

The cost of post-secondary facilities is just one jet plane. I do not know whether we ought to be comparing what you might call apples and oranges, but even in the city of Brantford they

just unveiled their largest capital program in the history of the city: a new sewage disposal plant. It has all the buildings and labs squirting around that we could possibly have.

It is the largest capital expenditure we have ever made; \$10 million for just one little plane that is sitting down in Texas getting the plush stapled on to the frame so that when the Premier goes out to meet with Premier Lougheed he will not feel second best, or whatever.

Hon. Mr. Grossman: Think about Massey-Ferguson.

Mr. Nixon: What has the government done for Massey-Ferguson? It has not cost it very much money yet. Look at the taxes the government is milking out of Brantford simply to buy this ridiculous plane. I have a feeling the 30 minutes I had directed towards my response is going to be eaten up, but I still have a certain sympathy with the minister in trying to manage the business of government when the chairman of the board does things to him.

I suppose it is just about as bad when the bills come in from the Ministry of Industry and Tourism for one quick flight on the Concorde by the minister just so that he could tell his buddies down at the Albany Club, or wherever he hangs out, that he has just come home on the Concorde.

I happened to hear him in action at a meeting down in the Amethyst Room in the presence of the Speaker of the European Parliament, and he was dropping the names of all the financiers and industrial developers in the capitals of Europe. He goes there regularly. I do not know how often he goes on the Concorde, and I do not know whether he is even going to take the Premier's jet next time he goes to Brussels or Luxembourg or wherever he intends to go.

Hon. Mr. Grossman: Australia.

Mr. Nixon: Australia is losing its cachet. People have been there. It is not on this year's list. They got sunburns down there.

This leads me to another problem that should concern the minister, and that is the unnecessary travel of the minister's colleagues. I am not saying that about the minister, because the only travel he does is necessary, of course, and we will argue about that, perhaps, in private.

But it really gets me down when I see the examples set by the members of Parliament in Canada. I do not know when they ever get any work done. It may be that feeling of despair that the members of Parliament in Canada get because they have a strong executive and such a

successful government in Canada that they are travelling all the time. They can even take their spouses and friends at no charge.

It really is the most amazing thing, and the disease is creeping in here. With the election of a majority government, there is more or less a tendency to throw up our hands and say: "Well, let us ride with this thing. The ministers are going; let us all go."

I am well aware that some travel is necessary, but the Premier and his diminutive minister go to Australia; even before they go, they announce \$100 million in new business, and that is absolutely wrong. There is no way I can use the word "misleading" or anything like that, Mr. Chairman.

It is wrong that one of the minister's employees, the poor old manager of the business of government, who is trying to do a good job of blowing the Minister of Industry and Tourism (Mr. Grossman) up to the size that is necessary for him to compete for the next job on his personal agenda, which may very well be the Treasurership—not the one he has in mind; after all, one has to walk before one can fly—should be made to look so innocuous. Every now and then he has to assert himself and get into a plane himself and say, "I can fly too."

Hon. Mr. Grossman: He just got back from Hong Kong.

Mr. Nixon: From Hong Kong? That certainly is amazing. But it is just a further indication. I am sure it was necessary for the minister to be there to assist in the opening of yet another trade office. I am sure that as soon as the suits of the Minister of Industry and Tourism get a little more frayed he will go over there to look into the matter again.

It is just a feeling I have that the taxpayers are being taken to the cleaners by the government. They have forgotten that those dollars do mean something, and there is a feeling that, with \$20 billion to reach into and spend for the good of the province, another few thousand more or less will not make much difference.

I am convinced that some travel is necessary. I simply warn those who are listening so attentively to be careful and not give in to the slackness that infected the government in, let us say, about 1973, just before they came to their senses and bore down on it.

Just because the government has won a majority at the polls certainly does not give it licence to lose the kind of restraint that people expect elected members to have. To be fair,

they are under the mistaken impression that Tories can be more restrained than anybody else.

Well, why does the government not do it? Instead of simply travelling on their reputation, they insist on travelling on the Concorde. I am talking about the minister, because he is very near the top of the list of those who really have to be brought down to earth.

I am concerned that the government productivity committee, which made so many mistakes that are slowly being rectified, made a very serious one when it emasculated the Treasury Board. I used that word before, and it is really the only one. Now they are reduced to doing all these important things such as doing research on record-keeping requirements and some performance appraisal. We certainly need that sort of thing if, after performance appraisal, there is either a good carrot or a good stick at the bottom line of the appraisal.

They have been successful in their negotiations with the Ontario Public Service Employees Union, and I have already congratulated them on that. They were telling us about student exchange, something I am very interested in indeed. I do not know why the Minister of Education (Miss Stephenson) does not do that.

12:10 p.m.

It really means that the Treasury Board has been lost, and we have a manager with no power, a manager who is busy doing this sort of office duties for the business of government. I know this particular minister has other responsibilities—to advise his cabinet colleagues in Ontario Municipal Board appeals.

I personally think he does quite a good job at that. There may be another occasion when we can discuss the procedure, which is what we would call informal. I really do not think he does it quite as effectively as his predecessor in that job, but it may be that as he moves forward with more and more approval on all sides of the House that he too may become Minister of Agriculture and Food if in the dim and distant future there is ever a vacancy.

I believe that the so-called general manager must lose his taste for the job when the chairman of the board and his immediate superior, the Treasurer, simply keep giving him orders that mean all his best efforts at economy are just thrown into the fan.

Compared with a new jet or picking up a new oil company, any concept or thought of bringing the finances of the province to some sort of a rational balance goes right out the window on

the whim of the Premier and a very small group in the presidium. I do not know what you call the inner, inner, inner cabinet, but presumably the Premier just talks to the people who will agree with him. He has to talk to the Treasurer, and I have a feeling he must be sick to death of talking to the Treasurer.

While we are critical of the Minister of Agriculture and Food and certain other ministers from time to time, if there ever was a need for change, it has to be in the Treasury. That is why I have a feeling that the Ministry of Industry and Tourism, in creating this fabulous presence in the government and in the community, has really got one step before he takes the big jump. The Treasury might very well be it.

It could be that the Treasurer was on the side of the general manager of government in trying to force the Premier to think again before he reacted to the vision to buy \$650 million worth of oil stocks in the hope that it is going to go up and he will be able to show a profit, because it does not look as though there is any other advantage that I can see.

I want to talk specifically about some other areas where the general manager, the Chairman of Management Board, might do something where he cannot do anything to really affect the main course of the government policy.

I am sure he is aware that there are alumni brothers of ours from this House, former MPPs, former cabinet ministers, who are serving in important jobs in the community at the same time as they are collecting their full pension from this House.

As nearly as I can gather, those gentlemen—all of them doing a good job, no doubt—are collecting in the area of a \$25,000-a-year pension based on their service here. In their second and sometimes third and fourth incarnations in public service, as chairmen of various boards, agencies and commissions, they receive an additional \$55,000 to \$65,000. That is just the cash they get; then they get the cars and drivers, the various expenses associated with their high office.

Frankly, I have a feeling that a serious mistake was made when the government decided that they would allow pensioned members to go on to full employment beyond their pension, because it does not seem rational, fair or reasonable to me that the taxpayers should be paying those gentlemen more than \$80,000 a year together with everything that goes with it.

To begin with, they all had substantial careers upon which they even based their political involvement.

Hon. Mr. Grossman: Not all of them.

Mr. Nixon: All right. I know one of them whose career has been dedicated to public service. Actually, we could say that the three cabinet ministers about whom we are talking have all been excellent public servants. Why should they refuse the money? I am not criticizing them; I am criticizing the government and the general manager of the government, who should not permit this to happen. Those honourable gentlemen are doing a good job, but they are not worth \$85,000, and I am sure they would not try to suggest they are.

The argument that they have earned their pensions is valid. Let them take their pensions, but only as long as they are not taking additional remuneration from the taxpayers, putting them in pay brackets beyond which it is reasonable for the taxpayers to be put in the position of having to provide the wherewithal.

I have already talked about the car and driver business. My own feeling is that the driver is essential to people who are under the pressures that cabinet ministers and certain others are. The driver is essential, but I think we have really gone a long way in providing the cars.

I happen to stay at the Sutton Place Hotel, a block from here, and the taxpayers pay my hotel bill, which has gone up to \$55 per night. That is very steep indeed. Of course, the hotel provides a telephone in the washroom, which I appreciate even though I cannot think of anybody to call under those circumstances.

When I come out of the hotel in the morning, there is a lineup of government limousines, all idling away, with the neat little plaque in the front and the impressive yellow spotlights on either side. One gets the impression they may be death rays. The limousines have little receptacles on the fenders just in case they ever get the nerve to put Ontario flags on the fenders so they can float around going to their meetings with the escort in front and the pickup escort behind and the flags snapping as they go along. It is just a matter of time until they make that jump. Actually, they do under certain circumstances.

The point is that I am at the Sutton Place. Even I can make the walk across. Some of the impressive ministers come down in the elevator, walk out and there is somebody the poor innocent taxpayers have to hire, holding the door open, saying: "Good morning, Mr. Minister. Here is your paper." They sit in the back

seat with the plush coming up around their arms and joggle across Wellesley Street for one block, where they are dumped off at the east door.

I am telling the members, that is a waste of money and somebody should do something about it. Everybody is always saying, "Oh, that old Mitch Hepburn, he auctioned off those cars and bought limousines." The first part of that is true, but the second part is not. The government ministers bought their own cars and, whenever they needed a driver, which I think is essential on a long trip when one is working hard and has all the cares of the world on one's shoulders the way the honourable Minister of Industry and Tourism has, then one needs that. It is not a luxury; it is a necessity. But they have gone a long way.

It is so even for the chairmen of our various boards, agencies and commissions. Why they need cars and drivers is beyond me, and somebody is going to have to get up enough nerve to take it away from those fellows. Take it away from them! Even with the city of Toronto, it is just whacko. One sees the elected members of council zooming around in chauffeur-driven limousines.

I go down University Avenue or come up University Avenue on my way to work, and Phil Givens goes by in his. And there is the chairman of Metropolitan Toronto in his blue Cadillac. Our Premier has never had the nerve to buy a Cadillac for government service, and I think that is fine. Two big Chryslers are okay; it is quite all right.

Hon. Mr. Grossman: On a point of privilege, Mr. Chairman: I would like to remind the member for Brant-Oxford-Norfolk that the chairman of the Criminal Injuries Compensation Board, Mr. Allan Grossman, has never had a car or a driver since he left government in 1975. He has not requested one and has not been given one.

Mr. Nixon: I am certainly glad to know that the chairman of the Criminal Injuries Compensation Board has special advocates in this House. Actually, he may have two, because he is one of my favourite former members. Thank God, I have never had to appear before him in his capacity as chairman of the Criminal Injuries Compensation Board.

But I know for a fact that the chairman of the Commission on Election Expenses and Contributions has a car and driver to take him to work. I do not know why that is necessary. Maybe we do not pay him enough to hire a cab. It is

difficult to convey the concept that, for essential transportation, yes, but once the story gets out that Mr. A has a car and driver, or Mr. W has, then Mr. G. is going to think about it, as is everybody else, because nobody likes to be left behind.

It is the same thing at the municipal level, and it certainly is here. The competition to keep up with one's fellow ministers and one's fellow parliamentary assistants—now they are getting into the free car business, and members know it. There are so many of the parliamentary assistants not here but with their names on empty seats. They could be here if they wanted to. They have access to cars and drivers; they are just going over the deep end.

12:20 p.m.

It is amazing how almost any foolish decision in that connection can be rationalized by pointing to what is done somewhere else. A classic case is the Minister of Municipal Affairs and Housing (Mr. Bennett) insisting that the cost for his personal home in Toronto be paid by the taxpayers. He was good enough to say, "I won't insist on my mortgage payments"—that is what he demanded first—"but you have to pay for my heat and basic costs." We pay his taxes, and he is offended. One of his employees, in commenting on my criticism, said I was taking a very small approach. I forget what the word used was, but I found it rather a nasty word.

I really feel that the honourable minister responsible for housing is being foolish—it must be politically destructive for him—to insist that the taxpayers pay the cost of his home on one of the finer streets in Toronto, simply because he has the misfortune to be a cabinet minister from Ottawa. I forget what his pay is now, but it must be close to \$70,000.

Hon. Mr. Grossman: It's \$62,000.

Mr. Nixon: He gets \$62,000 plus a car, plus a fellow with a little piece of plastic to pay for his lunch whenever he does not bring any change.

Hon. Mr. Grossman: He doesn't have a telephone in his washroom.

Mr. Nixon: He certainly wants to keep out of touch with the local press; so I can understand why he does not want to be near a telephone.

That is the sort of thing that is bringing government into disrepute. That is the sort of thing that the Chairman of Management Board could do something about. Presumably he has his own car, and I have no objection to that. I do not know whether he is even buying a house down here, now that the Tories have rammed

through the Board of Internal Economy a vote making it possible for all of us to buy houses and have those basic costs approved.

I am telling members it is a mistake, and it is traceable only to the bad judgement of the minister of housing and to the feeling of the Conservative members on the Board of Internal Economy that, "We won the election, and we are not going to listen to claptrap from the opposition."

I believe it is a mistake. It is money poorly spent. It just adds to the concept that people have of people in government at the municipal level, certainly at the federal level, and at this level, that we do not know too much about the individual buck and all we talk about is the millions and billions.

Just briefly, I want to refer to some of those million-dollar matters. One that the minister must surely be concerned about is Minaki Lodge. To protect \$550,000 in loans granted to Minaki by the Northern Ontario Development Corporation when it was privately owned, the government purchased the lodge in 1974. It is still closed, having no bedrooms, although a further \$10 million has been spent.

Another \$12 million is needed to make it operational next year when management is to be turned over to Radisson Hotels, a United States management firm. If it becomes operational at that time, an estimated 150 direct seasonal jobs will be created. This is with an investment of \$22 million, and it is a further indication of the inadequate and costly management decisions made by the government and approved by its general manager.

In land assemblies, we have talked about Edwardsburgh and so on so often that I am not going to repeat it. But I must say that another classic case that is the direct responsibility of the Minister of Municipal Affairs and Housing but must be approved by Management Board—it would have been stopped by a treasury board if we had one—is the inordinate commitment of dollars to the new town of Townsend.

It is such a ridiculous situation when one sees that it is based on former Treasurer John White's vision. He said there were going to be 900,000 people in the area by the year 2000. In fact, the population of Haldimand-Norfolk has stayed static all these years, with no perceptible growth that can be measured.

The taxpayers have committed about \$55 million to property purchase and development of that area. They have huge advertising campaigns based on the slogan, "Come home to

Townsend." They have built a shopping centre costing \$2 million, and there are only 30 or 40 people living in the whole community.

They forgot that the main street of the new town is the line between the old county of Norfolk and the old county of Haldimand; so they even have two school boards to put up with, and the people on each side of the street have to have their own buses to go in different directions to different schools.

Now the local region has decided to build a regional headquarters there at an estimated cost of \$3 million to \$4 million. The only reason they will build it there is that the Minister of Municipal Affairs and Housing gave them the land. Where else are they going to get free land?

The people down here decided that a regional headquarters should go in that spot. The members of council approved it because the land was there and they were looking for a headquarters. I do not believe they would have needed this huge commitment of public dollars if the government of Ontario had not pushed them into regional government in a system that has had more flaws and difficulties than any other regional government in the whole of Ontario.

I am concerned about the increased tendency of people in government not to do their own research and make decisions but to hire consultants. I do not think any work of any importance is done by a bureaucrat now at the request of a minister or a deputy without getting somebody from outside upon whom the decision can be blamed if it goes wrong. It is really getting to be a disease in government that we have consultants for every aspect of responsibility.

I suggest to the minister that consultants' fees and the retention of lawyers for our various committees and boards has escalated to a cost that is absolutely unconscionable. By our lack of attention to this matter, we are creating millionaires in this business who do nothing but feed on the public purse through the consultancy procedures established by the government and approved by the minister.

The minister has made much of his various procedures and special films designed to improve management, but the lesson that is learned by anybody with management responsibility over there is that when a problem comes up get a consultant. If there are no problems, they get a consultant to find out why there are no problems and what problems are coming up. If the minister cannot think of any new ideas to improve his profile in public, he gets a consul-

tant in public relations to suggest certain programs that would sell well in Toronto or Sarnia or Minaki.

It is that kind of waste of public funds that is more and more of a concern. It is based on the relaxation of any rigidity of attitude or discipline that used to be associated with provincial government. Much of this has been lost and, frankly, I trace the most recent level of relaxation to the majority achieved by the Progressive Conservative Party last March. There is a feeling, "Nobody can touch us now, and we can dig into this \$20 billion for the convenience of our Premier, the comfort of our travelling ministers and to save us too much wear and tear on the old noggin, because we can hire people to do our thinking for us."

I will close by saying that I regret the loss of the treasury board. I feel any strength the treasury board undoubtedly had has been dissipated as the Management Board performed the new functions prescribed for it by the Committee on Government Productivity.

12:30 p.m.

I have a high regard for the minister. He does not like to be criticized any more than anybody else does, but I feel that he has been given a job to do which does not warrant cabinet rank any more. I would like to see the present minister given a line responsibility; and maybe he will be, because there has to be a shake-up in the cabinet in the next few months. We have got to do something in Agriculture and Food, Treasury is getting to be a continuing embarrassment and there are other areas where some of those guys who have waited patiently either on the periphery or entirely outside are going to have a chance.

That is good, because the time for the party to operate the government of Ontario is rapidly running out. If there was ever an indication that all these years since 1943 have finally drained the ability of the Progressive Conservative Party to come up with the new concepts and the new leadership the province needs, it is the review of the business of government itself. They are old, tired, ineffectual and expensive. The province cannot afford them any more.

Mr. Mackenzie: Mr. Chairman, I am going to ask your indulgence to some extent in the comments I have to make in these estimates, because it is not a ministry that I have had any experience with.

Quite frankly, until I read the debate from last year I was not really sure—there are so many

ministries and boards in this government—exactly what the minister's responsibilities were. I guess I am trying to get a handle on it myself as much as anything else. But the reading I have done makes me wonder if the questions that have been raised in previous estimates, certainly last year, had an awful lot of relevance.

I think the member for Brant-Oxford-Norfolk has touched on some of the things that were bothering me a bit as to whether they were within the minister's terms of reference. I certainly also got the feeling that, if we were to try to deal strictly with the role he has as manager, I guess, of the civil service in the province, it would be something like punching at marshmallows. I am not really sure it has a heck of a lot of relevance unless we have a specific question, or unless we have the information before us to get anywhere in questions of that kind.

I did wonder exactly what the role of Management Board was in this particular government. I took a look at the comments that were made at the time of the government of Ontario organization of the Management Board secretariat, the initial study done by Urwick Currie back in January 1972. I think I am looking at the right page in the study, page three, where it says:

"In dealing with major functions of the Management Board, the Committee on Government Productivity distinguishes policy making and policy implementation as the two basic processes in decision making by government and assigns to the Management Board responsibility for advising cabinet on policy implementation."

It goes on further than that, but I think that is an indication of some of the responsibilities that are supposed to be the minister's.

In looking at basic responsibilities, on page seven of that report on major functions, I see "program analysis" listed very prominently; then, under the key responsibilities that he has, "effectiveness of analysis re: policy making" and "effectiveness of analysis re: policy implementation in the province." It goes on from there as well.

That, to my mind at least—and admitting that I am not really familiar with his ministry—raised questions as to what kind of role he is playing with the advice he gets from the secretariat in specifically analysing and looking at new government programs and new government initiatives, because I clearly see that as one of his major responsibilities as Chairman of Management Board.

I think one of the things that was touched on just briefly by my colleague is a valid one. Inasmuch as the minister is supposed to analyse and pass some judgement, I guess for the use of the cabinet in Ontario as Chairman of Management Board in this government, what kind of analysis, what kind of study, what kind of information did he pass on to the cabinet—or just the four members of the cabinet who apparently knew about it—in terms of the major expenditure in Suncor that is obviously going to affect other ministries in their budgets?

It is \$650 million, as I understand it, with half of that in the first year. May I ask what kind of analysis, what kind of study, what kind of information the minister passed on to the cabinet in terms of that major purchase? What kind of analysis did he make of the assets of Suncor and their programs and the extent to which they are involved in new exploration in the energy field?

I would like to hear from him whether he did this kind of analysis, or as I suspect, if he knew no more about it than the other three or four cabinet ministers in the government who were involved. If that is the case, I would have to seriously question the role of the Management Board of Cabinet.

It seems to me the question is equally valid, although a lot smaller amount of money is involved, in the \$10.5 million purchase of the executive jet airplane for the Premier (Mr. Davis) and the cabinet. I heard a question asked by one of my colleagues, I believe it was the leader of the Liberal Party (Mr. Smith), in the House the other day as to whether or not an analysis had been done of how much rental of executive jets that are already available would cost, in terms of the interest that could be saved on that almost \$11 million. Was the role of the Chairman of Management Board to do any kind of financial analysis as to what benefits we were getting out of purchasing that, and whether or not the same job could have been done, and done probably at less cost, by renting?

I think those are valid questions. There are a number of other areas in which we could be asking questions. Is the minister simply there to administer the civil service, or do the guidelines for the Chairman of Management Board mean something in this province?

I would like to know to what extent Management Board actually evaluates government programs, whether they be in some of the areas we are concerned with, such as the community and social services and health fields, or the

purchase of a major interest in the oil and gas industry. What kind of evaluation is Management Board actually doing on an ongoing basis of the ministers' performance and the ministries themselves? How closely does the Chairman of Management Board monitor the expenditures of the various ministries in Ontario?

In the course of monitoring their expenditures and whether they are living within their budgetary items—that he will have to deal with at some time if they do not, through approving an overage—does Management Board hold the ministers personally responsible or is that something that is not thought of in terms of this government?

I would like to know what the chairman's role is in terms of what I perceive is the broader responsibility of Management Board, and how closely he is dealing with this kind of management or supervision of the various ministries in this government, because heaven only knows some control is needed on some of them.

What specific responsibilities does he take? Is it just a rubber-stamping in terms of a ministry that has gone over its budget? When he has to approve an overage, as I believe is his responsibility, when there is a request for additional funds in excess of what was allowed in that particular budget, how closely is that monitored? If the government is not going to increase the deficit, if we do not see a substantial increase in taxes and the government has to come up with \$325 million in what the government says is a very tight situation in Ontario, where is that money going to come from?

Is the board going to have to do some further cutting in the budgets already approved for some of the ministries? How is the board going to find that particular amount of money? What role is it going to play in a request of the Ministry of Community and Social Services, if we deal with an issue my colleague the member for Scarborough West (Mr. R. F. Johnston) has been raising, and which I hope to be raising shortly? That is a small issue, but a serious one in terms of a lack, which the government's own people are now starting to admit, of resources for abused or battered women in this province.

In my own town, they can turn away as many as 29 or 30 badly battered women in a single evening because they do not have the rooms or facilities to handle them. If there is a request from the Ministry of Community and Social Service for additional funds because it is recognized that is a needed area where we do not have the current resources available, what is having

to find, out of a clear blue sky, \$325 million for the Suncor purchase going to do to that? How closely does the Chairman of Management Board monitor a situation like that?

12:40 p.m.

Does he have any say as Chairman of Management Board in the kind of prioritization of the budget in cabinet, or is that totally something that is done by the Premier and the Treasurer (Mr. F. S. Miller)? It would seem to me if he is supposed to evaluate the effectiveness of the programs in his particular ministry he should have a pretty good handle on where we have problems in Ontario.

Is there a problem, as some people will charge, in the health care field or in housing or in some of the social services needed? What kind of prioritization, what kind of specific recommendations, does his ministry make before the budget is brought in here?

I recognize it is to all of us clearly nothing in terms of if there is an election imminent, because then that is just what might appeal most to the voters. But there are at least, hopefully, two or three years that we are not facing an election. What kind of a genuine analysis of the priorities of this government is done by his particular ministry?

Does he evaluate all new government programs? We have dealt with two of them—and I am not sure we would call them programs, but certainly major expenditures—the executive jet and the purchase of a 25 per cent interest in Suncor. Does he evaluate all new proposals that come before this House from the government from time to time, or has he got some kind of a guideline that says it depends; his examination is qualified by the cost or the size or the perceived importance of the particular project? Because obviously if he is going to evaluate all of the new programs he has to have some pretty specific terms to judge the performance.

In reading last year's estimates, as I referred to earlier, I was struck by the absence of any overall policy or directional questions that went on and the lack of requests for clarification on some of the minister's comments. I will admit my real concern is the things I have already raised, some kind of an idea of just exactly what kind of a role he is playing in terms of the priorities in Ontario, but there a number of small points that did peak my curiosity. I am not going to spend a lot of time on them, but one or two of his answers might give me a clearer idea of what was meant and maybe a little bit more insight into what his ministry is all about.

I refer to page G-281 of the 1980 legislative debates. The minister says: "I know the members will be interested to hear of the steps we have taken over the past year to ensure that the board's dual role of general manager and employer is carried out effectively by the Management Board secretariat and the Civil Service Commission. Since 1975, Ontario has reduced the cost of running internal government operations by 1.3 per cent and, in the same period, increased assistance to people by 6.6 per cent." It is as bland and blanket as that.

I want to know, per cent of what? He certainly has not very clearly stated what he means by cutting internal government operations by 1.3 per cent. Is that accurate? Was some of that contracted out so we were doing it not internally within the government? Increased assistance to people by 6.6 per cent; if it is a straight 6.6 per cent, and I do not think that is what he meant, then given inflation there was no increase at all, because the inflation over that period of time would be greater than that.

I say to the minister that there may be a simple answer, but when I read it I did not see anybody challenge it and I do not understand it. That may be me and I accept that, but I really wonder what he is saying.

Another statement he made was, "We establish a very strong pressure on prudent management; namely, the realization that any increases in expenditure will have to be offset elsewhere in the system." I am using that to refer back to the questions I was asking him about what he is going to do in terms of the major expenditure we have coming up in terms of the oil deal. Where are the offsets? How has he figured it out?

If I can go to page G-282, dealing with cutting out some of the bureaucracy in government, in dealing with medical records he said: "In some cases, these records have been retained for at least 50 years after the patient's last visit. We expect to reduce and standardize this period to 20 years, and we are discussing this recommendation with the people affected."

In the course of making that rather flat statement during the estimates last year, I want to know whether he did it, but also I want to know if in the process before he did it there was any recognition by his ministry of the urgent need to monitor workers' health and exposure for long periods of time in terms of exposure to toxic substances?

Because of the latter-day recognition that we are dealing with things like lung cancer from coke oven exposure and asbestos exposure and

the variety of forms of cancer that are just terrifying, in terms of asbestos workers, we are dealing with exposure and results 20 and 30 and 35 years after these people were actually in the particular work place.

So, in terms of saying he was going to get rid of records after 20 years: One, what did he actually do? Two, in making that flat statement in his opening remarks a year ago in the estimates, has anybody done the kind of analysis of what that would mean in terms of the absolute necessity for some kind of a longer term monitoring of workers in Ontario?

If I can be permitted to mention something that almost caused a little laugh when I read it, the minister made a big point out of saying that another example of what he was going to do away with is the Ministry of Agriculture and Food requirement that operators of riding-horse establishments must retain a record of every customer visit. He said, "We hope we will be able to delete this record keeping." Now there I can see it. I tried to find out for what purpose—and I gather there was a purpose—he wants a record of every person who visits a riding-horse establishment in Ontario.

I guess it is one of the many crazy old laws we have. I have taken my daughter a couple of times in the last year, not far from my cottage, and I was amazed to realize that there may be a record, for whatever purpose—I've certainly nothing to hide—of the fact that we went and visited a certain riding-horse establishment. Did he actually get rid of that or was that just one of the many regulations or things that he was going to take a look at last year? I do not see that as the major role of this ministry, but I am curious to know just exactly what the minister does in his particular work.

He also made a point—I think it is on page 283—that he was going to work for more government purchases in the private sector and specifically from Canadian industry. I would like some idea of whether he can put an actual figure on that. I am not sure exactly what use it was last year when he said: "Specifically, we found that small business received 51.2 per cent of the total value of our purchases," referring to government purchases, exclusive of purchases for construction projects. In addition, small businesses received 63.9 per cent of the individual purchase orders which the ministries issued."

They certainly got a majority of the purchase orders but I suspect that, because they may or may not have been frozen out of some of the major purchases, they had a sizably smaller

percentage of the actual business done. But why did he say in that—and nobody questioned him—“exclusive of purchases for construction projects”? It would seem to me those would be a major portion of purchases by this government as well. What does that do then, even to the figures or percentages he used in his comments? I am really not sure of the importance of all of this, but these are the kinds of things that nobody seems to have asked or raised in the estimates a year ago.

On a smaller scale than the major items I was raising first, it would help me to have some kind of a handle on just how closely he does look at something. If, for example, he took care of that crazy situation of recording visits of any Ontario citizen to a riding-horse establishment, if he did do something—and he may have been wrong—in terms of the health records being disposed of that much earlier, if he was able to follow through on those little items, then is his ministry one that just looks after little things? And why have we not seen the kind of analysis that this House has been asking for over the last week in terms of the Suncor purchase? Or can we have a clearer definition of just exactly what kind of role this minister has in this particular government?

In view also of the emphasis he gave a year ago, referred to in much less detail in his comments today, on the need to reduce absenteeism as a problem in terms of government productivity—in other words, I guess, what we can get out of our employees, especially when we are trying to cut back on the number of those employed—I really have a strong feeling the emphasis on eliminating absenteeism as a means of improving productivity, which I do not disagree with, is probably not the most productive approach.

12:50 p.m.

However, because I think it has some bearing on whether the question of productivity or absenteeism is related to the kinds of stress in jobs, I would like the minister to produce for this House, by major occupational categories over the last couple of years, a breakdown of absenteeism for nursing assistants, for example, or residential counsellors or some of the people in some of the tougher jobs in some of our institutions where we have had some serious grievances, as the minister is well aware. If he cannot do that, it will have to go on the Order Paper.

I would like to know what the absentee records show by the various kinds of occupa-

tional groups, because it may tell us where we have an inefficiency and the kinds of jobs, conditions or experiences they have to handle as employees. I have a strong feeling the minister should change the emphasis from the absenteeism.

By changing it I do not mean ignoring it. Instead of that being his main emphasis, he should take a much stronger look at job retention. I have tried to relate this back to the Civil Service Commission's monthly figures and reports and, unless I am reading the figures wrong, I have a feeling we have a turnover rate in the government service that is rather substantial.

A comment made to me by one of my colleagues was that although considerable attention has been paid to improving productivity by combating absenteeism, the most obvious source of productivity improvement has been missed and that is to reduce employee turnover. The vast majority of government jobs can be performed efficiently only after some learning period. There are a number of pressures in some of the jobs in dealing with people and the fact that we do not want people to be cynical or unresponsive to what they see as civil servants. On occasion, people out there are quick and willing to heap abuse.

There is a period of learning by doing in most government jobs. The length of time during which productivity improves as a result of learning by doing, clearly varies with the complexity of the various jobs government employees may have.

It should be apparent that a higher degree of productivity would certainly be one of the advantages of a considerably lower turnover in staff. The report of the Civil Service Commission for 1980-81 reports that new appointments from April 1980 to March 1981 were a total of 17,406 employees.

If we can compare this to the complement over the same period, the April 1980 figure, page 39 in the civil service complement figures, it is 67,821 while the March 1981 figure is 67,637. The new turnover of 17,406 against 67,729 indicates an annual staff turnover rate of 25.73 per cent, almost 26 per cent.

I recognize there are a couple of intangibles that have to be worked into it, but if we can look at the staff turnover from a different perspective, we can observe that the total of classified plus unclassified in 1980-81—and again simply averaging the April 1980 and March 1981 figures that he was using—was 80,345.

Of this number, the average number of unclassified staff was 12,616. If we add the 12,616 to the 17,406 new appointees—and I recognize some of those were there before and there are contact renewals and so on—we get a total annual intake of new employees of 30,022, albeit some of them possibly are trained, having done it on an unclassified basis before. If we took 30,022, even allowing for the fact some of those may have been renewed contracts, over 80,345, we have a 36.36 per cent annual new employee turnover.

I suspect the minister has some arguments that may reduce that to some extent, but it still bothers me that we are dealing with a sizeable new employee intake. That certainly does not promote productivity. At any given time during the year, about one third of the individuals on government payroll were either those recently hired, who must be assumed to be still learning the job and therefore not performing at maximum potential, or some of the renewals of casual, temporary or unclassified staff, or whatever the case may be.

In comparison with the five years prior—I am referring to the 1975-76 report of the Civil Service Commission—new appointments, 5,938, classified staff at that time, 68,225 or only an 8.7 per cent turnover. Probably using somewhat different numbers, the report of the Civil Service Commission for 1975-76 reported staff turnover of 8.69 per cent on a recruitment basis.

The 1975-76 civil service report provides no data on unclassified employment, thus to make even a rough comparison we have to go to the 1977 provincial budget, which shows for the year 1976—we are not that far away so there probably would not have been that much of a change—classified staff of 63,210 and unclassified staff of 14,811 for a total 78,021.

If we add the 14,811 unclassified staff, as I have done previously, to the 5,938 new appointments the year previous—I recognize we are taking a chance in doing that—we would have a total of 20,749 persons recruited into government. As a percentage of 78,000 that is 26.59 per cent. It bothers me because a comparison of new appointments as a percentage of classified staff showed 8.7 per cent in 1975-76 and 25.73 per cent in 1980-81. New appointments plus unclassified, as a percentage of classified plus unclassified, was 26.5 per cent 1975-76 and 36.36 per cent this year.

That shows a sizeable increase in the turnover over a period of time. I would like to have an explanation for that, because it would seem to

me that if those figures even come close to being accurate—and they are out of his own ministry reports—then we have a problem in terms of productivity, in terms of the turnover. Staff retention would be a more valuable tool, and turnover is a much greater problem than we have in terms of absenteeism. When we look at straight absenteeism, we also have to look at the kind of pressures that are involved in some of the government jobs.

I have difficulty also in knowing, when he tells us of the kind of reductions that he is getting in the numbers of government employees, whether or not we are getting an accurate picture. I am really not sure how much more contracting out is done and how much more use is being made of the unclassified staff and how many of those are doing it on a contract basis. The figures are difficult to read. Classified plus unclassified employees starting in 1976 were 78,628. In March 31, 1980, it was down to 76,682.

In the same period he had, I must admit, probably about the same percentage in unclassified. The unclassified were down from 14,886 to 13,208, but the percentage of unclassified employees in this government has gone from 18 to 19 to 16 to 16 and back up to 17 last year. Are we offsetting some of the savings that he is reporting to this House with the kind of use we are making of unclassified staff? I do not know. There may be an answer, but he is not clear in what he has so far presented to us in this House. I would like a little bit more information on that.

I notice in the figures I have just used that they exclude Ontario Provincial Police uniformed staff which appear in most numbers. I am told there are no unclassified staff in the OPP uniformed staff. They are considered essential and we do not have a single unclassified employee in the uniformed OPP staff. Yet we have all kinds of unclassified employees, for example, in the hospital sector. Does that mean they are not as important and we need not worry about the importance or permanency of the jobs and can resort to unclassified assistance in that particular area where we cannot do that in terms of the OPP?

I might have made that argument a little more specifically if it was not for the fact that I then took a look at the Attorney General's ministry and found out that, my golly, 37 per cent of their complement is unclassified. Does it pay there because they can probably remain unclassified and come in on a short-term basis in the job and get more money? I really wonder if it is not the case for the hospital workers, because almost

invariably anybody we are bringing in to do the laundry or some other job is the low paid worker, and we have lots of unclassified there, but they do not have the same option of coming in as temporary, part-time or unclassified employees and making a little bit more money, but in the Ministry of the Attorney General a heck of a lot of the staff do. Is it because they can make a heck of a lot more money, being, in most

cases, lawyers who can command that kind of fee? I do not know, but I think it is a valid question and I would like to know the answer.

On motion by Mr. Mackenzie, the debate was adjourned.

On motion by Hon. Mr. Wells, the committee of supply reported progress.

The House adjourned at 1:01 p.m.

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